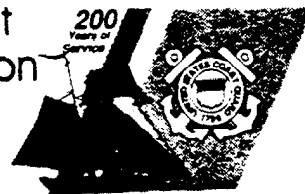


U.S. Department
of Transportation
**United States
Coast Guard**



COAST GUARD MORALE, WELFARE, AND RECREATION MANUAL

COMDTINST M1710.13

U.S. Department
of Transportation

United States
Coast Guard



Commandant (G-PXM-3)
United States Coast Guard

MAILING ADDRESS:

Washington, DC 20593-0001
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COMDTINST M1710.13

6 JUN 1989

COMMANDANT INSTRUCTION M1710.13

Subj: Morale, Welfare, and Recreation Manual

1. PURPOSE. This Manual sets forth policy and procedures for administering the Coast Guard Morale, Welfare, and Recreation Program.
2. DIRECTIVES AFFECTED.
 - a. COMDTINST M1710.6 (Special Services Manual) is canceled.
 - b. The following reports are no longer required: RCS-G-PS-5022 Morale Fund Financial Statement.
3. CHANGES. Recommendations concerning changes to this Manual or to the overall Morale, Welfare, and Recreation Program shall be addressed to Commandant (G-PXM).
4. ACTION. Area and district commanders, commanders of maintenance and Logistics commands, unit commanding officers and Commander, CG Activities Europe shall ensure that the Morale, Welfare, and Recreation Program is administered in accordance with policies and procedures contained in this manual.

DISTRIBUTION--SDL No. 127

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5. FORMS/REPORTS.

a. Enclosure (5) contains the following blank forms:

- (1) Morale Fund Financial Statement (CG-2985)
- (2) Operating Summary MWR Activities (CG-2985A)
- (3) Morale Fund Loan Accounting Sheet (CG-4518)
- (4) Morale Fund Inventory Accounting Sheet (CG-5017)
- (5) Morale Fund Transaction Accounting Sheet (CG-4517)

These forms can be locally reproduced (LOCAL REPRO).

b. The Morale Fund Financial Statement, CG-2985 (RCS-G-PXM-5022) and the Annual Survey of Morale Activities, CG-2985B (RCS-G-PXM-5300) shall be submitted as prescribed. These forms can be locally reproduced.



T. T. MATTESON
Chief, Office of Personnel
and Training

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CHAPTER 1. GENERAL

- A. Purpose. The purpose of this Manual is to set policies and administrative procedures which govern the Coast Guard Morale, Welfare, and Recreation Program (MWR).
- B. Exclusions. This Manual does not apply to the management of the following non-appropriated funds which receive guidance from other sources:
1. Coast Guard Exchange System (CGES) resale activities;
 2. chapel funds for units with assigned Navy Chaplains;
 3. funds administered by private associations located on Coast Guard installations;
 4. funds established for civilian employees at Coast Guard units;
 5. coffee messes and wardroom funds; and
 6. cadet-related activities.
- C. Definitions.
1. MWR Program Funds as used in this Manual refers to both the appropriated and non-appropriated funds used to support MWR activities and purchases.
 2. Appropriated Funds as used in this Manual are funds provided from Operating Guides 30, 43, and 56 for support of the Coast Guard's MWR Program; but does not include AC&I funds provided for construction of facilities.
 3. Non-Appropriated Funds (NAF) are funds provided to a unit from the Coast Guard Exchange System (CGES) profit. Funds are received direct from a unit exchange and may be redistributed from an MWR fund within the chain of command. These are also called Morale Funds.
 4. Morale, Welfare, and Recreation Program (MWR) encompasses the Service-wide effort to provide activities designed for the mental and physical well-being of our Coast Guard members. See paragraph 1. D. for a discussion of eligible participants.
 5. Coast Guard Exchange System Activity is an authorized NAF Resale or Service activity conducted by a command, i.e., exchange, gas station, club, package store, etc. This is the primary source of non-appropriated MWR funds. Enclosure (1) contains a more complete listing of CGES activities.

- 1-C-6. Private Association is a financially self-sustaining, non-governmental organization whose membership primarily consists of individuals who have or had an occupational affiliation with the Coast Guard and/or their dependents. Some examples of private associations are officers' associations, chief petty officers' associations, wives' clubs, etc. Command responsibilities in approval and oversight of private associations is contained in enclosure (2).
7. MWR Activities are recreation oriented activities within the MWR program (i.e., bowling alleys, gymnasiums, gear lockers). A complete listing is contained in enclosure (1).
8. MWR Facility is a building or area where MWR activities are conducted i.e., gymnasium, picnic area, softball field, swimming pool, etc. MWR facilities are built, maintained, and operated with appropriated funds.
9. Unit Morale Fund contains the non-appropriated funds allotted to a unit to conduct MWR activities.
10. Uniformed Services include all active duty members of the Coast Guard, Navy, Army, Air Force, and Marine Corps, and the commissioned corps of the U. S. Public Health Service and National Oceanographic and Atmospheric Administration.
11. District Commander for the purposes of this Manual includes commanding officers of Headquarters units and maintenance and logistics commands (MLC's).
12. Fund Administrator is the position which has the authority to obligate MWR funds and responsibility for oversight of the fund. (i.e., district commander, commander, maintenance and logistic commands, CO, HQ units, and commanding officer of units with a morale fund.)
13. Cognizant Authority as used in this Manual refers to the district commander, or commander, maintenance and logistics command. It is the authority in the normal chain of command to which a field unit must request approval or defer resolution for various items throughout the Manual. For Headquarters units, the cognizant authority is Commandant (G-PXM).
14. Self-Directed Activities are activities for which equipment and facilities are made available for individual or group use without supervision (TV, reading rooms, board games, informal sports, etc.).
15. Directed Activities are activities which normally require a supervisor to coordinate schedules, arrange transportation, determine line-up, etc. (varsity sports, tournaments, dances, parties).

1-D. Classification of Military MWR Activities.

1. General. MWR activities are divided into three categories, with the level of direct appropriated fund support allowable defined in Chapter 6-D.
2. **Category A: Mission Sustaining.** This category contains those activities which are considered most important for the health and well-being of the military member. Also included are all consolidated support services functions such as accounting, procurement, or personnel services for one or more MWR activities, regardless of category. Category A activities include:
 - a. Armed Forces professional entertainment programs overseas;
 - b. MWR consolidated support service office;
 - c. gymnasium/physical fitness/aquatic training;
 - d. general libraries (excludes technical libraries);
 - e. parks and picnic areas;
 - f. recreation centers/rooms;
 - g. shipboard activities;
 - h. shipboard/isolated/deployed/free admission motion pictures;
 - i. sports/athletics (self-directed, unit level, intramural); and
 - j. unit level programs and activities.

Fees are usually not charged for activities in this category and thus limited revenues are generated. Category A activities should be supported primarily with appropriated funds (APF), with the use of non-appropriated funds (NAF) authorized as supplemental funding for the operation of a facility or programs.

3. **Category B: Basic Community Support Activities.** Category B contains activities closely related, in terms of supporting the military mission, to those grouped in Category A. These activities differ from those in Category A, primarily, because fees are usually charged for participation and thus some revenue is generated. Category B activities include:
 - a. amateur radio;
 - b. arts and crafts skill development;
 - c. automotive crafts skill development;

- 1-D-3. d. bowling centers (12 lanes or less);
- e. child development centers;
 - f. community centers;
 - g. entertainment (music and theater);
 - h. marinas without resale or private boat berthing;
 - i. outdoor recreation;
 - j. recreational information, tickets and tour services;
 - k. recreational swimming pools;
 - l. sports programs (above the intramural level);
 - m. Stars and Stripes; and
 - n. youth activities.

These activities are not expected to sustain themselves based purely on the fees charged. These MWR activities are generally supported by a mixture of APF and NAF.

4. **Category C: Business Activities.** Category C activities have the highest capability to generate revenue through the sale of goods and services to authorized patrons for use in specific morale programs. Category C activities include:

- a. academic bookstore;
- b. Aero clubs (not authorized for Coast Guard);
- c. amusement machine locations and centers;
- d. animal care funds;
- e. Armed Forces recreation centers
(accommodation/dinning and resale facilities);
- f. audio/photo and other resale activities;
- g. bingo;
- h. bowling centers (over 12 lanes);
- i. cabins/cottages/cabanas/recreational facilities;
- j. catering;
- k. golf courses;
- l. Joint Services facility;

- 1-D-4. m. marinas and boating activities with resale or private boat berthing;
- n. motion pictures (paid admission functions only);
- o. motorcycle clubs;
- p. pro shops;
- q. recreation rental equipment checkout;
- r. rod and gun clubs;
- s. scuba/diving;
- t. skating rinks;
- u. skeet/trap ranges;
- v. snack bars/soda fountains colocated with other Category C activities;
- w. stables;
- x. temporary lodging facilities; and
- y. unofficial commercial travel services.

Business activities receive only limited APF support. However, business activities located in extremely remote and isolated areas may be provided appropriated support similar to that authorized for basic community support activities (Category B).

E. Authorized Patronage of Military MWR Programs.

1. General.

- a. Authorizations shown in paragraphs 2 and 3, below, will be used to determine program access, except where authorization is in conflict with international agreements.
- b. These authorizations do not apply to military exchanges, facilities, and programs operated principally by the Coast Guard Exchange System (CGES). Access to military exchanges and their programs shall be in accordance with the NAFA Manual, Commandant Instruction M7010.5 (series).

- 1-E-1. c. Active duty military personnel and their families shall be given priority access to all military MWR programs. Any excess capacity may be allocated to all other authorized patrons on a first come basis. At those locations consisting primarily of civilian employees where child development centers have been built with appropriated funds (APFs) for the purpose of providing military child care, available space shall be allocated first to assigned military personnel requiring the program. The commanding officer may allow any remaining available spaces to be allocated to DOT/DOD civilian employees or other patrons on a first come basis for a period of one year; annual recertification for use of those spaces is required.
- d. Any individual purchasing products or services from an MWR activity shall be positively identified as an authorized patron before the consummation of a sale. The credentials of patrons shall be carefully checked to ensure that each individual is entitled to patron privileges. Sales shall be made only to authorized patrons. Authorized patrons of MWR activities will be identified as prescribed below in paragraphs 2 and 3.
2. Unlimited patronage, authorized to use all military MWR programs without restriction.
- a. All active duty Coast Guard personnel and their dependents.
- b. All members of the U. S. Armed Forces on active duty or full-time National Guard duty.
- c. Commissioned Corps of the Public Health Services.
- d. Commissioned Corps of National Oceanic and Atmospheric Administration.
- e. Retired uniformed personnel with pay.
- f. Honorably discharged veterans with 100 percent Service-connected disability.
- g. Unremarried surviving spouses and family members (with military ID cards) of military personnel who died while on active duty or while in retired status.
- h. Unremarried former spouses who were married to a military member who served at least 20 years of active service, was married to the former spouse for at least 20 years, and the marriage was during the 20 years of military service (20-20-20).
- i. Medical personnel under contract to the military DOD/USCG Service.

- 1-E-2. j. Military personnel of foreign nations and their family members when authorized military exchange and commissary privileges.
- k. Department of State (DoS) officials and their family members when authorized military exchange and commissary privileges.
- l. Paid members of the American Red Cross (ARC), Young Mens Christian Association (YMCA), United Service Organizations (USO) and other private organizations when assigned to and serving with the U. S. Armed Forces overseas.
- m. Other individuals entitled to commissary and exchange privileges.
3. Limited patronage, authorized to use only specific military MWR Programs.
- a. If the DOD/USCG command authorizes, DOT/DOD civilians and retired DOT/DOD civilians may be authorized limited use of golf courses and physical fitness facilities if the installation has facilities with excess capacity and if authorized by the commanding officer. If space is available in any Category C revenue generating Military MWR program and if authorized by the USCG command, other patrons including DOT/DOD civilians may use Military MWR facilities.
- b. Members of the Selected Reserve "Red Card reservists" in good standing and members who are in a retired without pay status, and the dependents of such members, are authorized access to Category C revenue generating facilities. If space is available and the installation commander authorizes, they may also use physical fitness facilities.
- c. An individual guest, who is not otherwise eligible to use MWR programs or facilities, when specifically invited and accompanied by an authorized patron for whom the authorized patron assumes full responsibility, may use the same programs and facilities as the authorized patron.
- d. Military cadets (Service Academies and ROTC) authorized access to Category A and B programs when participating in field training or practice cruises. Commands may authorized military cadets access to Category C programs if it is determined to be in the best interest of the Government.
- e. DOT/DOD contract personnel and technical representatives whose full time place of duty is at the installation assigned may be authorized access to Category C programs at that installation if approved by the installation command.

1-E-3. f. Members of the local community within the 50 United States and the District of Columbia may use Category C, Military MWR programs when authorized and documented by the commanding officer on a space-available basis under the following conditions:

- (1) The command determines that adequate facilities are available and currently under used by authorized patrons;
- (2) written agreements are obtained from local city officials, the Chamber of Commerce, and other appropriate community leaders indicating that they have no objections to expanded use of military MWR programs;
- (3) it is determined that allowing these individuals to use these facilities is beneficial to both the military members and civilians in the community;
- (4) no conflict exists with Federal, State, or local laws;
- (5) the sale of state tax-free tobacco products and beverages by MWR or CGES is restricted to amounts (items, packs, bottles, cans, etc.) to be consumed on the premises;
- (6) use of these MWR programs and facilities by these individuals will be limited to a maximum of 1 year; annual recertification is required; and
- (7) a list of individuals granted access to these MWR facilities and programs is maintained.

g. Foreign National employees (NAF and APF) assigned and working directly in MWR programs in OUTCONUS if Status of Forces Agreement (SOFA) or other international agreements or local laws do not prohibit, the local command determines it is in the best interests of the MWR program and the installation and it is approved by Commandant (G-P). Access shall only be allowed to MWR facilities within the installation commands area of responsibility for specified period of time not to exceed 1 year; annual recertification of the employee by the command is required.

- 1-F. **Nondiscrimination Policy.** The conduct of the MWR program shall be free of any discrimination based on age, sex, race, color, religion, or national origin. Support will not be provided from the MWR program to any organization which practices discrimination. Support would include, but not be limited to the following:
1. Use of the name or sponsorship of the Coast Guard;
 2. use of a facility or activity of the Coast Guard, including those financed by NAF's;
 3. participants in any recreational or sports event by a team or individual representing the Coast Guard or supported by a MWR fund; and
 4. on-base distribution of tickets for an event, or any form of publicity or promotion for an event.
- G. **Safety.** A positive safety program shall be in effect for MWR activities. Guidelines for the establishment of an adequate safety program are outlined in the Coast Guard Safety and Occupational Health Manual (COMDTINST M5100.29 (series)) and chapter 12 of this Manual.
- H. **Funding.** MWR is an appropriated fund responsibility with supplementary support from non-appropriated funds. Non-appropriated funds are derived primarily from Coast Guard Exchange System profits and fees and charges levied for the use of MWR facilities, equipment, or services. (see Chapter 6-D for guidelines.)
- I. **Inspections.** MWR programs shall be included in command inspections as required by Coast Guard Regulations (COMDTINST M5000.3 (series)). An inspection checklist is included in enclosure (3).
- J. **Facilities.**
1. Facilities for MWR activities shall be operated and maintained with appropriated funds. Supplemental funding with non-appropriated funds is authorized. The construction, maintenance, and alteration of MWR facilities are under the technical direction of Commandant (G-E).
 2. The provision, renovation, and replacement of MWR facilities should be included in all installation planning. Implementation of unit plans should be pursued commensurate with the importance of their contribution to the Coast Guard community. Proper long-range planning is essential to the provision of adequate MWR facilities.
 3. MWR officers should provide technical guidance for the development of all MWR facility projects and review all plans for functional adequacy.

1-K. Equipment and Supplies.

1. As a general policy, equipment for MWR program administration, such as furniture (including their repair and refurbishing) is chargeable to appropriated funds.
2. Supplies for MWR activities, such as athletic equipment, may be purchased with appropriated funds. Comptroller Manual, Volume III, Supply/Property and Transportation, (COMDTINST M4400.13 (series)) is the authority for these expenditures.

L. Relationship between MWR Program and Coast Guard Exchange System (CGES). The CGES is the primary source of non-appropriated funds which support the MWR program. District commanders and commanding officers must ensure that CGES and MWR activities are administered under the proper program. Consolidation of local management functions, however, is authorized, provided the actual cost of services is allocated to the proper program. Examples would include CGES providing bookkeeping and payroll services to the MWR program. However, accountability of MWR and CGES funds must be maintained by separate financial accounting systems and checking accounts.

1. Coast Guard Exchange System. This program includes resale outlets (i.e., exchange stores, packaged liquor stores, gasoline stations, specialty stores), service activities (i.e., barber shops, laundries, tailors), and bar and food service facilities (i.e., clubs, cafeterias, and snack bars). Enclosure (1) provides a more detailed list of the various types of CGES activities. Administration for the CGES resale program is the responsibility of Commandant (G-PXM).
2. Morale, Welfare, and Recreation Program. This program includes sports activities and facilities (i.e., bowling, golf, tennis, swimming), hobby facilities (i.e., crafts, auto hobby, woodworking), and general recreation and family support activities (i.e., theatres, child development centers, and recreation areas). Enclosure (1) also provides a more detailed list of the various types of MWR activities now authorized for the Coast Guard. Administration for the MWR program is the responsibility of Commandant (G-PXM).

1-L-3. Combination of Activities. Occasionally an activity of one program will include an activity which by the above definition belongs to the other program (i.e., a snack bar at a movie theatre). In such cases each activity will be handled in accordance with the list contained in enclosure (1), except when it is so insignificant in size that it could be handled by a major activity without adding any employees. For example, if the ticket salesman at a theatre operation could also handle candy and popcorn sales, the entire operation shall be treated as a MWR activity. If on the other hand, snack sales are of such a volume that a separate salesclerk is required, that snack bar must be a CGES operation. Questionable cases should be referred to Commandant (G-PXM) for resolution.

Chapter 2. ORGANIZATIONAL RESPONSIBILITIES

A. **Chief, Office of Personnel and Training** (G-P), is the agent of the Commandant for supervision of the Servicewide MWR program. This includes promulgation of policy and procedures for the administration of the MWR program and the use of appropriated and non-appropriated funds.

B. **Chief, Exchange and Morale Division** (G-PXM), at the direction of Chief, Office of Personnel and Training shall:

1. Develop and promulgate policy, establish objectives and standards, and prescribe systems and procedures necessary for efficient and effective management of the Morale, Welfare, and Recreation Program;
2. publish policy and procedures for administration of the MWR program in the Morale, Welfare, and Recreation Manual;
3. coordinate personnel actions involving MWR personnel (Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual, COMDTINST M7010.5 (series));
4. maintain a system for distribution of CGES available profit to support the Servicewide program;
5. conduct periodic surveys to determine MWR trends and condition of MWR facilities;
6. establish fiscal reporting requirements;
7. aid districts, MLC's and HQ units in the preparation of budgets for both appropriated and non-appropriated funds;
8. provide guidance for disposition of surplus MWR property in accordance with policies as set forth in Federal Property Management Regulations and this Manual;
9. provide guidance for purchasing, investing, and protecting assets of the MWR program; and
10. set forth liquidation and closing procedures for unit morale funds.

C. **District Commanders and Commanders, Maintenance and Logistic Commands** shall:

1. Develop and execute an annual budget to include the distribution of direct CGES profit support and any HQ MWR funds that may be redistributed. Budgets should reflect a "fair and equitable" distribution to units supported by the district.

2-C-2. Review the MWR reports of units under their cognizance. Specifically, reports shall be reviewed for the following:

- a. Check compliance with directed frequency of audits;
- b. question/analyze excessive cash/bank balances;
- c. analyze significant swings in MWR activity net profit;
- d. question/analyze large losses or transfers;
- e. question/analyze large accounts payable balances; and
- f. coordinate distribution of MWR funds between HQ, district and MLC commands should a geographic distribution prove more responsive than chain of command distribution.

3. Authorize establishment of unit morale funds at subordinate commands as appropriate. (See chapter 8 for criteria for establishment.)

D. Unit Commanding Officer. Commanding officers administering MWR funds have the same responsibility for proper administration as for any other functional element of their command. In carrying out this responsibility they shall:

1. Ensure realistic MWR budget is developed which reflects expected income from unit share of NAFA profit, user fees, and appropriated funds. Be prepared to adjust scope of MWR activity if anticipated funds are not realized. See chapter 6 for detailed budget guidance;
2. establish and operate a variety of MWR activities to meet the needs and interests of all personnel;
3. direct the operation of the unit morale fund in accordance with this Manual and other applicable directives;
4. ensure financial statements are prepared, audited, and forwarded as directed in chapter 8;
5. appoint a MWR officer and, if deemed appropriate, a separate custodian of the morale fund;
6. budget for appropriated funds which are authorized to support the MWR program;
7. coordinate command expertise to assist and advise in morale administration and MWR activity supervision;

2-D-8. take corrective action on recommendations of audit boards, advisory groups, and higher authority which are in the best interest of the Coast Guard;

9. ascertain that the morale fund is being properly administered and its funds safeguarded; that all income has been received and properly recorded and that all disbursements are made only for authorized purposes; and

10. verify that physical inventories are conducted and are accurate.

E. MWR Officer. At units where morale funds are established, the commanding officer shall appoint a commissioned officer (when available) to act as MWR officer. In cases where a commissioned officer particularly qualified by experience or personal background is not available, the appointment of a CPO or civilian is authorized. Civilians appointed as MWR officers should be paid from appropriated funds sources and be qualified in accordance with Officer Performance Management standards. When appropriated funds or ceilings are not available for this purpose, civilian MWR officers may be paid from non-appropriated funds if qualified as specified above and approved by Commandant (G-P). Appropriated funds are the primary source of funds in support of the program with appropriated funds with supplementary support from non-appropriated funds. Members of the Chaplain Corps when assigned to Coast Guard units may not be appointed as officers or custodian of the morale fund. The MWR officer shall:

1. Develop and conduct programs and services designed to improve and maintain the morale of Coast Guard personnel and their dependents;

2. operate MWR facilities;

3. develop a financial plan and administer the use of MWR funds (See chapter 6);

4. coordinate the purchase, custody, and issuance of MWR equipment;

5. train and supervise the personnel assigned in the specialized functions of MWR; and

6. coordinate relations with adjacent communities and other commands with respect to MWR matters.

7. conduct the MWR User Survey every three years.

2-F Custodian of Unit Morale Fund. Generally, the MWR officer will also act as custodian of the morale fund. However, the commanding officer may detail an officer (other than NAFA officer), a CPO or a civilian to serve as custodian of the morale fund. No officer may serve as a morale fund custodian or acting morale fund custodian whose duties include the custody and disbursement of other cash funds.

1. Duties of the Custodian. The custodian shall:
 - a. Account for all receipts (expenditures and income);
 - b. validate propriety of expenditures;
 - c. control and account for all MWR property;
 - d. receive, safeguard, deposit, disburse, and account for all morale funds;
 - e. maintain accurate accounts and records; and
 - f. prepare reports and audits in accordance with chapter 8 of this manual.
2. Loss of Funds. Morale Fund custodians are bonded in accordance with the fidelity coverage of the USCG Consolidation Insurance program. Coverage is outlined in chapter 12. Supplemental insurance coverage at the local level is not authorized. In case of loss, the custodian will be required to reimburse the fund only when it appears, by affirmative evidence, that he/she has not exercised due care and diligence.
3. Absence of Custodian. When the custodian of the morale fund is absent from the activity for any period beyond 15 days and less than 60 days, the commanding officer shall detail in writing another officer, CPO or civilian to act for the custodian. The person acting in the custodian's absence shall sign a memorandum receipt for the fund. When absence is to be for a period of more than 60 days, the custodian shall be relieved in accordance with the procedure prescribed below.
4. Relief of Custodian. To effect relief the custodian shall:
 - a. Transfer all funds, property, and equipment as determined by physical inventories;
 - b. review all records, accounts, vouchers, bank accounts, and note all shortages, missing documents, and/or deficiencies;

- 2-F-4 c. prepare a relief Morale Fund Financial Statement (CG-2985) in quadruplicate and signed jointly by the person being relieved and the person relieving. The original shall be delivered to the fund administrator, a copy retained by each person and a copy retained in the files. Any deficiencies or shortages shall be noted in the statement of relief.

G. Morale Committee. Where established, morale committees shall act only in an advisory capacity. They are to be an avenue of communication between the MWR user and the Command. They may also assist the MWR Officer in conducting the MWR User Survey. The morale committee shall consist of three or more representative personnel detailed in writing by the commanding officer. Membership shall be provided to ensure that officer and enlisted personnel have suitable representation on the committee. If more than one command is involved, there shall be representation from all commands. The chairperson shall be appointed by the commanding officer. Each member shall have one vote. The MWR officer shall attend the meetings of the committee to supply information regarding directives and the availability of funds, but shall not have a vote. A report in format similar to enclosure (4) shall be submitted expressing its views and recommendations. Members of the morale committee shall not receive financial remuneration in cash, goods, or services for any function performed as a member of the committee.

H. District Advisory Board (optional). At a district or MLC where morale funds are administered for the benefit of several subordinate units in addition to the district or MLC, it may be desirable to establish an advisory board. If appointed, the board will consist of not less than three members, officer and enlisted. The senior member will chair the board. The board works in an advisory capacity to the fund administrator and should make a report of each meeting including items considered and the boards recommendations. The board's scope may include but is not limited to:

1. Review and recommendation on subordinate unit requests;
2. review of district/MLC wide programs;
3. review operation of collocated units;
4. review of district/MLC policy involving unit morale; and
5. review of new program or facility plans.

The district/MLC MWR officer shall work closely with the board to prepare agenda and provide background or financial information where necessary. The MWR officer, however, shall not be a voting member.

Chapter 3. MORALE, WELFARE, AND RECREATION MISSION AND GUIDELINES

A. Mission. The primary mission of the MWR program is to provide a variety of morale and recreational activities which contribute to the physical and mental well being of our Coast Guard members.

B. General Guidelines for Program Development and Execution. The following guidelines are nonspecific in nature and the level of implementation will vary depending on the size, type, and location of unit, amount of funding, and the availability of MWR facilities.

1. The degree of command involvement will have a direct impact on funding, level of participation and coordination of unit resources. Command involvement is highly encouraged.
2. MWR programs should offer a wide variety of MWR activities to include athletic, social, cultural, and competitive events. Periodic surveys can be effective in achieving a balanced mix of activities.
3. Availability of local commercial recreation facilities should be researched to complement the facilities at the Coast Guard unit, enlarging the scope of the unit's total MWR program.
4. Commanding officers should stress cooperation and coordination of MWR activities where units are collocated.
5. Ashore units which provide MWR support to collocated afloat units should:
 - a. Provide advisory support in MWR matters;
 - b. schedule MWR activities to maximize participation of afloat units;
 - c. set operating hours to accommodate afloat liberty hours and special circumstances; and
 - d. work closely with afloat MWR personnel to increase the effective utilization of ashore facilities.
6. Publicity is an important part of the MWR program. Whether a small or large unit, you must have a way of passing the word to eligible participants. Don't overlook dependents, retirees, reservists, and other members of the military community when soliciting participation in your MWR activities.

- 3-B-7. In the interest of promoting good community relations and cooperative use of community facilities, it may be appropriate to occasionally make Coast Guard MWR facilities available for special community events. These events should not interfere with use of the facilities by authorized participants; nor should they result in subsidization of the sponsoring organizations. The overall value accruing to the recreational interests of authorized participants should be the principal determinant in authorizing such events.
8. Emphasis should be placed on those activities which accommodate the majority of active duty Coast Guard personnel. However, the program should also be flexible enough to meet reasonable individual needs.
 9. Occasionally analyze the various activities to ensure that the cost of some are not disproportionate to the cost of the overall program. Activities which are characterized by high cost and/or low usage should be primarily supported by fees and charges from participants.
 10. The interests and needs of minority members should be considered in developing the balanced mix of MWR activities.
 11. Strict control of fees and charges for the use of facilities should be exercised to ensure that fees are reasonable and do not prevent lower-ranking enlisted members from participating. Similarly, fees set too low may undermine the active MWR program. A reasonable balance is needed. (See chapter 6 for more guidance on setting fees and charges.)
 12. Every effort should be made to provide activities and services which benefit families living on the unit as well as those living off of the unit.
 13. There is no substitute for good leadership, supervision, and organization. Well run activities will attract the greatest number of participants. Personnel lose interest quickly in disorganized, confused activities.
 14. There are many places throughout the MWR program where volunteers may be used effectively. This provides an opportunity for interested individuals to contribute their talents and develop leadership skills.
 15. The activities of special interest groups should be monitored to ensure that they are consistent with the objectives of the MWR program.

- 3-B-16. Ensure that use of MWR facilities and participation in programs will be equally available to both men and women on active duty. Where joint usage is not possible, as in the case of sauna baths, and other facilities not having separate dressing/shower facilities, arrangements must be made to ensure access on a proportional basis.
17. An active morale committee is the single most important source of information concerning the desires of the members.
18. Eligible personnel of a command not fielding teams or supporting individuals in officially sponsored competition will be allowed to participate with commands sponsoring participation. District commanders may also authorize individuals of another Service to participate in team and individual competition if the opportunity is not available through the parent Service.
19. A MWR User Survey (see 8-D-2), must be used to determine the effectiveness of the program.

Chapter 4. PROGRAM ADMINISTRATION

A. General. This chapter provides specific guidance which pertains to the administration of a wide variety of MWR activities.

B Awards.

1. The presentation of awards in recognition of achievement sponsored as a part of the MWR program is recognized as a valuable contribution toward morale enhancement. While the value of awards is recognized, caution should be exercised to ensure that expenditures for this purpose are not disproportionate to overall program requirements.
2. Athletic competitors officially sponsored by the Coast Guard must surrender to the morale fund any cash or certificate redeemable in cash received as an award for competition.

C. Rules of Competition.

1. Official rules set forth by the organization governing amateur competition in each sport shall be used. In cases of conflicting, applicable rules, it is recommended that those specified for the All-Navy Sports Championships be used.
2. Women's rules have been written and accepted as the standard for sports activities in high schools, colleges, and universities throughout the country. Sports programs for women personnel shall be governed by these rules. Copies of Official Rules and Girls and Women's Sports Standards are available through the American Association of Health, Physical Education and Recreation, Division for Girls and Women's Sports, 1201 16th Street, N.W., Washington DC 20036.

D. Supervision. Most directed MWR activities require a supervisor who is responsible to the command to ensure the proper conduct of the activity and to coordinate the details of the activity with the MWR officer. Depending on the size of the unit and activity the MWR officer may act as supervisor for several activities during the year. However, it will also be necessary or appropriate to hire or designate personnel as follows:

1. committee chairpersons are usually designated by the command to coordinate such activities as Coast Guard Day Picnic, Christmas Party, dances, etc;

- 4-D-2. volunteer coaches/managers will be designated for each athletic team representing a Coast Guard unit. Any responsible member of the team may be assigned. The individual should be thoroughly familiar with the Sport and Governing Regulations. The coach/manager will also be responsible for the conduct of the team while it is organized for competition;
3. volunteer officials should be used at all levels of competition. Service personnel who are qualified as officials for the sport should be used. Sponsoring clinics to qualify service personnel as officials should be considered, and
4. hiring coaches and officials at times may be necessary. (See paragraph 6.E.10.)

- E. Travel Orders. Except as provided for elsewhere in this Manual, individuals or groups participating in officially-sponsored sports competitions which require travel should be issued permissive orders in accordance with Article 4-D, Personnel Manual (COMDTINST M1000.6 (series)). Morale fund support is authorized. Teams and individuals should carry health records if the time away from duty station is anticipated to be more than 10 days.
- F. Admissions. Spectator fees will not be charged to eligible members for admission to athletic events in which officially sponsored Coast Guard teams are competing, nor will they be charged admission to events which are sponsored by MWR funds.
- G. Advertising. Programs, pamphlets, fliers, or other medium of information published by the Coast Guard in support of a MWR activity may not include advertising paid for by a commercial, profit making entity.
- H. Civilian Competition. Competition with other than military individuals or teams is authorized subject to the following conditions:
1. Competitions with professional teams are authorized only on Armed Forces reservations for the entertainment of Armed Forces personnel;
 2. Coast Guard personnel are not permitted to compete in games, contests, or exhibitions conducted by promoters or groups operating for the purpose of personal or organizational gain unless prior permission has been obtained from the district commanders, commanders of MLC's or commanding officers of headquarters units; and
 3. requests for participation in benefit contests for charitable organizations shall be submitted to the district commanders, commanders of MLC's or commanding officers of headquarters units for approval. Participation in such contests is limited to those organizations recognized by the President's Committee on Fund Raising, unless specific exceptions are requested. Commands participating in contests must ensure that all expenses are paid from proceeds of the event.

Chapter 5. MORALE, WELFARE, AND RECREATION ACTIVITIES

A. Purpose. This chapter provides specific guidance on the operation of individual MWR activities and also provides guidance on application procedures and participation in inter-Service and international competition.

B. MWR Activities.

1. Ticket Program.

- a. Description: Involves the purchase of tickets for community and sports events for distribution or resale to eligible members of the MWR program. This program also includes such variations as ticket reimbursement where a member presents proof of attendance and the morale funds pay for all or a percentage of the ticket.
- b. Funding: All tickets purchased for distribution or resale must be purchased with non-appropriated funds. This includes tickets purchased for season sports events and entertainment events/programs, (e.g. baseball season tickets).
- c. User Fees: Resale price of the tickets depends on the status of the unit morale fund. Input from the unit morale committee will usually determine the method of resale or distribution. Normally, tickets are sold at cost, subsidized by the morale fund, or given away through a random drawing.

2. Automotive Hobby Shop.

- a. Description: An MWR facility with specified automotive work areas, equipment, and tools for minor automotive repairs, and/or an inventory of resale items for routine automotive servicing.
- b. Funding: Equipment and tools used in the hobby shop should be purchased with appropriated funds (if purchased with non-appropriated funds, it must be accounted for as part of morale fund property). All resale merchandise must be purchased with non-appropriated funds.
- c. User Fees: A combination of space rental, tool rental, and resale mark-up should be employed to offset the costs of supervision and minor operating costs (cleaning supplies, etc.).
- d. Supervision: This is a directed activity with considerable capital tied up in equipment and tools. A supervisor must be employed to supervise activity, collect fees, and maintain control over equipment and tools. Supervisor salary must be paid from non-appropriated funds.

5-B-3. Hobby and Craft Shops.

- a. Description: This pertains to a wide variety of directed and self-directed activities which fall under the general category. It could include woodworking, ceramics, stained glass, pottery, painting, etc.
- b. Funding: Equipment and tools should be purchased with appropriated funds. Cost of supplies and materials will be borne by the individual.
- c. User Fees: If appropriate, user fees should be set to defray the cost of the facility operator. Normally, however, most of these activities are self-directed and an operator is not required.

4. Recreation/Lounge Areas.

- a. Description: These are furnished recreational areas located close to or within the bachelor quarters. Included may be reading and television areas, stereo sets, billiard and ping-pong tables, table games, etc.
- b. Funding: Furniture and other recreation items should be purchased with appropriated funds.
- c. User Fees: Are not normally charged for the self-directed activities, however should be considered for tournament, dances, parties, etc.

5. Recreational Quarters.

- a. Description: Some districts and Headquarters units maintain recreation quarters (housing cottages and trailers). These facilities are generally located in vacation areas which offer a variety of local recreational activities. Information regarding these facilities may be found in the Coast Guard Recreation Areas and Temporary Guest Housing Facilities Guide (COMDTPUB P1710.14 (series)).
- b. Funding: Initial outfitting of recreational housing should be accomplished with appropriated funding. Thenceforth, with the exception of major renovation, recreational quarters should be self-sufficient.
- c. User Fees: User fees and charges should be set to defray all operating costs including supervision and cyclical replacement of furniture, appliances, fixtures repairs and maintenance.

- 5-B-5. d. Supervision: Management of the facility, including collection of fees and budgeting will be at the direction of the MWR officer in coordination with the unit commanding officer. Non-appropriated funds shall be used for any salary for caretaker or housekeeping services.

6. Youth Activities.

- a. Description: The Youth Activities Program provides wholesome, constructive recreational activities which contributes to the mental and physical well-being of military dependents. The program may include the use of unit facilities for self-directed activities and may provide such directed activities as team sports, clubs, dances, tours, field trips, and community service projects. Units with a large population of personnel living on-base may have a community center to serve as focal point for these activities.
- b. Funding: Non-appropriated and appropriated morale funds are authorized to support dependent youth activities pursuant to guidelines set forth in section 6-E.
- c. User Fees: It is appropriate to charge user fees to defray costs of youth activities. Contributions are also a source of revenue to pursue in support of such activities.
- d. Supervision: Trained leadership on a continuing basis influences the success of the Youth Activity Programs more than any other factor. Where warranted by the size and scope on the overall Youth Activity Program, the employment of a full or part-time recreation specialist is recommended. This employee should be under the supervision of the MWR officer and should be responsible for providing technical guidance, supervision, development, and conduct of the program. This position may be augmented by employing additional personnel on a full/part-time or seasonal basis to supervise such activities as youth centers, sports, crafts, and social activities. Assistance by military and civilian volunteers is essential to the success of the program. Maximum emphasis should be placed in the recruitment and use of parents as volunteers to assist with activities for all age groups. A successful Youth Activities Program can be achieved only through continuous support by parents providing volunteer services.

5-B.7. Child Development Centers.

- a. Description: An on-base facility operated under the MWR program which offers regular, supervised child care for military, and civilian employees working or living on the base. (Policy and procedures for operation are contained in COMDTINST 1754.1(series).)
- b. Funding: Appropriated funds are authorized for construction, utilities, furniture, and equipment. Unit non-appropriated funds and contributions and donations from individuals or private organizations may be used to supplement funding or for special equipment and nonrecurring supplies.
- c. User Fees: It is Coast Guard policy to provide quality care at reasonable fees, affordable to junior enlisted personnel and hardship cases. Fees will not be established to earn a profit. Fees and charges should be set to cover basic operating expenses (food, recurring supplies, and direct salary expenses of caregivers and staff other than director). Fees should be on a sliding scale based on rank, or which allows for more than one child from the same family, or based on total family income. The recommended reduction is not more than 20 percent of the weekly rate. Hourly rates, however, should not be reduced.
 - (1) Charges for meals and snacks should cover the cost of both food and labor and be included in the fees.
 - (2) Fees for military personnel shall be lower than those charged by commercially operated centers offering comparable facilities and care. Normally a 25 percent to 50 percent discount should be targeted.
 - (3) Centers which offer part-day as well as full-day care should charge proportionally more for a part day in order to cover administrative cost. A rate of 60 percent of the full-day weekly rate is suggested.

8. Recreational Boating.

- a. Description: The maintenance of power boats or sailboats for use by eligible participants.
- b. Funding: Is authorized from both appropriated and non-appropriated funds. See chapter 4 for appropriate expensing.

- 5-B-8. c. User Fees: Should be charged to at least offset day to day operating costs and replacement of boating equipment (i.e., PFD's, fire extinguishers, paddles, sails, etc.).
- d. Safety: To safeguard against the hazards that may befall the inexperienced or unwary boater, commanding officers of units that sponsor a MWR recreational boating program shall ensure it entails as a minimum:
- (1) familiarization with all Federal and State boating regulations and safe boating practices;
 - (2) familiarization with unit's boats and local boating areas;
 - (3) required safety equipment (see Federal Requirements for Recreational Boats) on board when boats are issued for use and complies with USCG Auxiliary Courtesy Marine Examination (CME) equipment requirements;
 - (4) individual instruction in the use of safety equipment;
 - (5) a sign posted conspicuously in each recreational boat "PFD will be worn by each occupant at all times";
 - (6) eligible members checking out a recreational boat shall indicate in writing their responsibility to ensure that the occupants wear PFD's;
 - (7) all eligible members should complete the Coast Guard developed self-instructional "Skipper's Course" prior to being authorized use of any recreational boat. Prior qualification of another command may be honored. The "Skipper's Course" may be obtained from the Superintendent of Documents, U. S. Printing Office, Washington, DC 20402; and
 - (8) separate qualification criteria shall be developed for operation of sailboats. Commandant (G-PXM) has a sample sailing qualification criteria handout which will be provided upon request.
- e. Boating Courses: The following courses are offered by the USCG Auxiliary and U. S. Power Squadrons and may be helpful in developing your program (for information on location of courses call 1-800-336-BOAT):

- 5-B-8. e. (1) USCG Auxiliary Boating Skills and Seamanship;
(2) USCG Auxiliary Sailing and Seamanship;
(3) USPS Public Boating Course; and
(4) USPS Sail Boating Course.

9. Golf and Bowling Facilities.

- a. Description: Facilities located on military reservations which include a pro shop, rental of equipment (bowling shoes, golf carts, etc.) and resale of supplies and equipment. The resale portion of the pro shop must be operated under the Coast Guard Exchange System.
- b. Funding: Both appropriated and non-appropriated funds are authorized for support of these activities. See chapter 6 for appropriate expensing.
- c. User Fees: Must be set to keep the facility operation and maintenance self-sufficient.
- d. Supervision: Managers and employees are required and shall be paid from MWR non-appropriated funds.

10. Motion Picture Entertainment. The establishment of an entertainment motion picture program onboard a Coast Guard unit is recommended as an integral part of the overall MWR program.

- a. Programs. The Coast Guard entertainment motion picture program consists of four subprograms:
 - (1) Commercially procured prerecorded entertainment motion picture program.
 - (2) Navy Motion Picture Service (NMPS) video-cassette afloat program.
 - (3) NMPS 16mm film program for isolated/semi-isolated shore units.
 - (4) NMPS 16mm film shore pay-theater program.
- b. Commercially Procured Prerecorded Entertainment Motion Picture Program.
 - (1) Units may purchase, rent, or lease prerecorded entertainment motion pictures and video tapes from Government contract or commercial sources, which include military exchanges, using appropriated or non-appropriated funds.

- 5-B-10. b. (2) Section 106 of Title 17 of the U. S. Code provides that prior permission from the copyright owner is required for public performance or displays of a copyrighted work. Performances or displays in the following locations are not considered "public," and do not require the prior permission of the copyright owner, provided the performances or displays are made without any purpose of direct or indirect commercial advantage and without charge to the attendee's:
- (a) Onboard Coast Guard vessel;
 - (b) in BOQ's/BEQ's;
 - (c) in unit "day rooms"
 - (d) in barracks;
 - (e) in Coast Guard dining facilities; and
 - (f) in any residential facility.
- (3) Performances or displays of prerecorded entertainment motion pictures in "public" areas, without the prior permission of the copyright owner, are prohibited. NAFA clubs and open messes are considered "public" areas within this prohibition.
- (4) Use of audio and video duplicating and playback equipment and facilities for reproduction of copyrighted sound or video recordings without permission of the copyright owner is prohibited.
- (5) Display of prerecorded entertainment motion pictures purchased or rented by individual Coast Guard members on playback equipment is permissible in those locations indicated in paragraph 10.b.(2).
- (6) Motion picture productions containing the following will not be acquired or displayed:
- (a) Portrayal of the U. S. Government or any of the U. S. Armed Forces in a derogatory manner;

- 5-B-10. b. (6) (b) foreign propaganda critical of the U. S. Government and its institutions or subversive material advocating the overthrow of the U. S. Government by force or violence;
- (c) material tending to foment prejudice or criticism based on race, color, religion, sex, or national origin;
- (d) all X-rated films and sexploitation films, i.e., films in which the primary content is erotica, or the primary result is to arouse sexual desire; and
- (e) those films that glorify the use of illegal drugs, or portray members of the U. S. Government, U. S. Armed Forces, or U. S. law enforcement agencies, as a majority, as users of illicit drugs.
- (7) Eligible attendee's:
- (a) Active duty Coast Guard personnel;
- (b) members of the Coast Guard Reserve serving on active duty (including ADT, SADT, and TEMAC), and during periods of inactive duty training;
- (c) active duty personnel of other Uniformed Services, military personnel of foreign nations when authorized full Coast Guard exchange privileges and serving in the United States, or other U. S. Government personnel, when performing official duties onboard a Coast Guard unit, or residing in Coast Guard family quarters, officer or enlisted bachelor quarters, or barracks; and
- (d) dependents or guests of personnel in above categories.
- (8) This policy does not regulate the procurement or use of copyrighted works for authorized official purposes.
- c. Navy Motion Picture Service (NMPS) Programs.

- 5-B-10. c. (1) Eligible units may also receive prerecorded motion picture/video tapes through three separate programs:
- (a) NMPS video-cassette afloat program;
 - (b) NMPS 16mm film for isolated/semi-isolated shore units; and
 - (c) NMPS 16mm film shore pay theater.
- (2) Guidelines and procedures for participation in all three programs is contained in COMDTINST 1710.3 (series), Coast Guard Participation in Navy Motion Picture Program and NAVMILPERSCOM INSTRUCTION 1710.1 Navy Entertainment Movie Program Administration and Operations Manual.
- (3) The display, attendee, and duplication restrictions in 5.B.10.b apply to the NMPS programs.
- (4) Special attention should be given to the security requirements and the procedures pertaining to lost/stolen tapes and video-cassettes. See Chapter 6, Paragraph 621 of NAVMILPERSCOM INSTRUCTION 1710.1.

11. Sports Activities.

a. Description:

- (1) **Informal Sports.** Informal sports activities consist of spontaneously arranged competitive events between individuals or groups of individuals who normally do not participate as an organized team. Examples would include the use of tennis, handball, basketball, and volleyball courts by individuals or groups interested in a specific activity, but not necessarily interested in formal, team membership. Promotion of such sports activities will greatly increase participation and expand the use of sports facilities.
- (2) **Intra/Intermural Sports.** Intramural sports are organized competitions conducted within individual commands or among those commands served by a common morale fund. Intermural sports are organized competitions conducted among individual commands or installations

5-B-11. a. (2) (Cont'd) within the same general area. A strong intra/intermural sports program, providing opportunity for active participation by all hands, should be the basis for all organized sports activities within the Coast Guard.

(3) Varsity Sports. Varsity competition is conducted by teams which are organized for the purpose of playing regular schedules over extended athletic seasons. Competition might include participation in military/civilian leagues or those formed among commands of various Services. Varsity competition is authorized if it can be accomplished without detriment to the overall MWR program. Varsity programs should not be emphasized to the detriment of command intra/intermural programs. Where possible, selection to varsity sports teams should be based upon performance in intra/intermural programs. The justification for varsity sports programs is the benefit which should accrue to all personnel.

- b. Funds: Appropriated funding should be used for purchase of all supplies and equipment. Non-appropriated funds may be used to supplement the activity. Local travel should be borne by the member. Rental of vehicles, buses, etc. for extended travel of a varsity sport team may be funded with appropriated or non-appropriated morale funds.
- c. Supervision: All organized sports teams should have either a "coach" or "manager". Designated individuals will supervise the activity, ensure safety equipment is used, and generally be responsible to the command for the conduct of the participants.
- d. User Fees: Should be considered to defray expenses especially in those sports which are costly by comparison and/or in which participation is very low.

12. Sailor of the Year/Quarter.

- a. Description: Many units conduct a yearly or quarterly competition to recognize its high performers. The "winner" can be recognized through a variety of awards or special privileges. Special privileges could range from a parking place to special liberty.

5-B-12. b. Funding:

- (1) Appropriated funds may be used to purchase trophies, cash awards such as saving bonds, plaques, or certificates associated with this competition.
- (2) Non-appropriated funds are intended for usage on an equitable basis by all crew members. As such, the preferred method of recognizing high performers is through a combination of special privileges and allowable appropriated expenditures above. However, at the discretion of the Commanding Officer, non-appropriated funds may be used for cash awards on a limited basis. A maximum of \$50.00 cash or a \$100.00 Saving Bond is authorized per competition, which applies to both appropriated and non-appropriated funds.

13. Gear Locker. There are generally two types of gear lockers used for MWR purposes in the Coast Guard. For purposes of this Manual, they are defined as follows:

a. Recreational Gear Locker.

- (1) Description: This type of gear locker will contain sufficient equipment to support the basic, ongoing athletic and recreational needs of the unit. It may contain such items as softball equipment, basketballs, picnic equipment, etc. Normally, this type of locker is on ships and small units.
- (2) Funding: Because the primary use of the items is for unit activities, appropriated funds are authorized for both initial purchase and replacement costs. Non-appropriated funds may also be used.
- (3) User Fees: Not normally charged. Individuals use equipment on first come, first served basis, not to interfere with unit activities.

b. Rental Gear Locker.

- (1) Description: This type of gear locker will contain a wide range of equipment and items primarily intended for personal usage. It may contain such items as lawn mowers, carpet cleaners, VCR's, etc. Individuals rent this equipment on a daily basis for personal use. Equipment, however, may be made available for

- 5-B-13. b. (1) (Cont'd) unit activities on a no cost basis. This type gear locker will normally be at large shore units.
- (2) Funding: Initial funding may be accomplished by a combination of appropriated and non-appropriated funds. Generally, this determination should be based on the primary usage, unit versus personal needs. Repair and replacement of equipment should be accomplished with non-appropriated funds generated from rental revenue.
- (3) User Fees: Rental fees should be set to at least cover the operating costs of the gear locker, including repair and replacement.

14. Commercial Sponsorship Program.

- a. Commandant authorizes local MWR programs to competitively solicit commercial sponsorships for MWR program events under the conditions contained within these guidelines.
- (1) Solicitation by local MWR programs is limited to: sports/fitness events; teams and competition; music and entertainment events; and festivals and special events.
- b. Tobacco sponsorship will not be solicited or accepted.
- c. Alcoholic beverages (including beer) sponsorship will not be solicited, but may be accepted, under the following conditions:
- (1) If offered, i.e., unsolicited, USCG MWR activities may accept and participate in any promotions of these products that are not directed predominantly or exclusively at the military market.
- (2) Activities may accept unsolicited promotions provided the alcohol company sponsors similar events in civilian communities.
- (3) Product sampling is not authorized.

5-B-14. d. Only sponsorships from U. S. firms will be solicited and accepted.

- (1) Solicitation of non U. S. sources is permitted in foreign countries if no or inadequate U. S. sources exist.
- (2) Solicitation of foreign corporations having U. S. subsidiaries is authorized, i.e., Toyota of America, etc.

e. Only those suppliers or manufacturers that supply or produce personal consumer products or services may sponsor a MWR event. No exceptions.

- (1) A company whose only product is military hardware does not meet the qualifications to sponsor a MWR event, while a defense contractor, like General Motors, could qualify by sponsoring with one of their motor car divisions.
- (2) Such sponsorships must be executed (signed) by the company's consumer products division.

f. All sponsorships must be competitively solicited, which requires the notification of all known companies having the product or service you deem appropriate for an event.

- (1) To satisfy this requirement, MWR program directors will prepare and send out a personalized letter to all such companies in their local area capable of delivering the product or service desired. Documentation must be kept showing how the list was determined.
- (2) An example format for personalized solicitation letter is included as enclosure (13).
- (3) This letter not only serves as the vehicle to inform prospective sponsors of sponsorship opportunities, but also announces the event, contains an overall description of the event, forecasts number of participants, describes composition of market, etc.
- (4) The letter also requests that companies who desire additional information (i.e., a complete proposal package) contact the local MWR Commercial Sponsorship Coordinator by a specific date.

- 5-B-14. f. (5) Care must be taken to ensure all companies of a product category are given an equal chance to participate in sponsorships. All interested companies must be sent a complete proposal package if requested.
- g. All USCG employees (military and civilian) must refrain from informal sponsorship solicitation.
- (1) Informal sponsorship solicitation is completely contrary to those guidelines, and MORE IMPORTANT, may cause someone to inadvertently violate the Government's Standards of Conduct regulations.
- (2) A businesslike arms' length relationship must be maintained between the local command and prospective sponsors.
- h. Commercial sponsorship of an event is not a program where a corporation gives the command a gift or donation.
- (1) Corporate sponsorship is an equal exchange of value agreed upon by the command and the corporation.
- i. Without an equal exchange, at best what you have is a gift or donation.
- (1) Solicitation of gifts or donations is prohibited by law and regulations.
- (2) Commanding officers do not have the authority to accept any gift or donation on behalf of the Department of Transportation, USCG. (Except under the guidelines set-forth in Chapter 6-N.)
- j. The specific intent of the commercial sponsorship program is to permit local MWR programs to obtain funds to offer events or services that otherwise we would not be able to offer.
- (1) Commercial sponsorship may not be used to underwrite the cost of a local command's MWR program other than for the events authorized by this guidance.
- (2) Sponsorship profits may be used for other similar programs or as seed money for future sponsorship efforts.
- (3) Sponsorship profits, if any, should not be used to cover MWR general and administrative expenses beyond those costs directly attributable to the event.

5-B-14. k. The solicitation of the Maritime Industry and builders of major weapons systems are also prohibited to avoid giving the impression that these companies are subsidizing MWR program events to curry favors from the Coast Guard.

l. Sponsorship Agreements must be reviewed by your local legal officer or district/MLC legal and approved by the Commanding Officer. (Sample of sponsorship agreement is contained in enclosure (14))

m. Caution must be used to not inadvertently imply that the Department of Transportation and the U. S. Coast Guard officially endorses any company, sponsor, or their products or services. A disclaimer (enclosure (15)) must be used for all sponsorships.

C. Inter-Service and International Programs.

1. Navy Sports Program.

a. Description: Participation in the Navy Sports Program is an excellent way of extending and promoting sports activities for Coast Guard personnel. Under the Navy Sports Program, competition terminates at the regional level. The primary objective of the program is to provide a level of competition above the local level. Selection of sports competitions, rules, team composition, schedules, dates, hosts, and awards is left to the determination of each region. Each of the 14 geographical regions have a designated regional coordinator. Coordinators are responsible for the development and conduct of the sports program. Area elimination will be conducted to determine which individuals/teams will advance to the regional. Coast Guard personnel except Coast Guard cadets are eligible to compete in local eliminations. Coast Guard commands not having an opportunity to compete in local eliminations may send teams or individuals directly to the regional championships subject to the approval of the applicable regional sports coordinator.

b. Eligibility: All officers and enlisted personnel ordered to active duty in the Coast Guard for a period of at least 90 days, for other than training purposes, are eligible to participate in the Navy Sports Program.

- 5-C-1. c. Augmentation: Base, ship, or Service identity will be retained throughout the competition as there will be no augmentation of teams above the local level. Each region will determine if an all-star or varsity type team will be permitted to represent a base/ship or whether the winning intramural team will advance. If a ship or team participates in a base intramural league or tournament to determine the command representative, then that ship may not enter a separate team. The same would hold true for another command.
- d. Funding: Competition/Tournament pro rata costs, transportation and financial support of Coast Guard personnel participating in the Navy Sports program is the responsibility of the local MWR fund, however, appropriated funds may be used for transportation cost. Berthing and meals are provided by the Navy and will be billed to Commandant (G-PXM-3) for services.

2. Inter-Service Championships.

- a. The Inter-Service Sports Championships are conducted under the cognizance of the Inter-Service Sports Committee, which acts as the agent of Office of Assistant Secretary of Defense (PA) for Inter-Service national and international sports matters. The purpose of this program is to promote understanding, goodwill, and cooperation among the Armed Services through Inter-Service sports competition and to provide means of selecting teams to represent the Armed Forces in higher levels of competition. Teams and individuals representing the Navy (including the Coast Guard), Army, Air Force, and Marine Corps, selected within each Service, compete in the Inter-Service Sports Championships.
- b. Applications/nominations for participation in scheduled Navy Sports trials/training camps shall be forwarded to Commandant (G-PXM) via the chain-of-command. Applications shall be prepared in accordance with COMDTINST 1710.5 (series), participation in Inter-Service, National, and International sports.

5-C-3. International Competition.

- a. Authority: Under provisions of 10 U.S.C. 717, personnel of the Armed Forces may be allowed to train for and participate in international sport competitions that are considered in the best interest of the United States by the State Department. The Olympic Games, the Pan-American Games, and competition conducted under the Conseil International Du Sports Militaire (CISM) have State Department approval. Rules and regulations relative to participation of Coast Guard personnel in international sports competitions, with particular reference to those mentioned above, are outlined in the following paragraphs. Commanding officers should take steps to ensure that all potential participants are familiar with these rules and regulations.
 - b. Eligibility: All officers and enlisted personnel ordered to active duty for a period of 90 days or more who meet the following requirements are eligible:
 - (1) Be found physically qualified by a medical officer; and
 - (2) be a bona fide amateur under the rules of the governing body of the sport for which application is being made. With the exception of boxing, this provision is not applicable to CISM competitions.
 - c. Applications:
 - (1) Personnel who feel that they possess the high degree of athletic ability required to represent the United States in any approved international competition may make application to Commandant (G-PXM) via chain of command for consideration. Application must be made in accordance with COMDTINST 1710.5 (series), participation in Inter-service, National, and International sports.
4. Armed Forces Chess Championships. This annual inter-Service competition is jointly sponsored by the Department of Defense, The American Legion, United Service Organizations, the American Chess Foundation, and the U. S. Chess Federation (USCF).

- 5-C-4. a. Scope: The tournament is comprised of three teams: Army, Air Force, and Sea Services (Navy, Marine Corps and Coast Guard). Each team is normally comprised of six members. The tournament is held in Washington, DC. Commands are encouraged to hold local and area tournaments to consider top contenders for the Coast Guard representatives to the Sea Services team. Each tournament should be conducted by a certified tournament director. Commands that cannot locate a certified tournament director in the area should contact the Chairman, USCF, 186 Route 9W, New Windsor, New York, NY 12550 for assistance.
- b. Selection of Coast Guard Members to Sea Services Team: Final selection of Coast Guard members for the Sea Services Team is based on chess rating and other tournament experience. Particular consideration will be given to winners of area tournaments. Participants in the Armed Forces Chess Championship normally have a high Class B rating (1600-1800), a Class A rating (1800-2000), an Expert rating (2000-2200), or Master rating (2200 and above).
- c. Submission of Applications: All applications for selections to the Sea Services Team shall be forwarded to Commandant (G-PXM) in accordance with COMDTNOTE 1700 (published annually in May each year). The tournament is usually conducted during September.

D. Bingo

1. Well-regulated bingo is widely recognized as an appropriate outlet for social gatherings on military installations. It enables military personnel to participate in a group activity that will stimulate off-duty social contacts of a recreational nature. By providing a diversion from the exacting demands of daily military duties, it helps promote enhanced morale among participants.
2. Playing of Bingo. Bingo is authorized on Coast Guard installations within the United States, its territories and possessions, which are fully ceded, as well as on those installations which are not fully ceded where the playing of these games is not prohibited by the state concerned. Bingo will be conducted in full compliance with all applicable state and local laws. Additionally, bingo will be conducted in accordance with the following regulations:
 - a. Bingo activities whether CGX or MWR sponsored must be self-supporting. Appropriated funds are not authorized to support bingo events.

- 5-D-2
- b. Unless state or local law provides otherwise, lotteries, including games that involve pull-tabs or instant bingo, are not authorized.
 - c. Participation in bingo games will be limited to authorized patrons, including authorized Coast Guard civilian employees, and their bona fide guests. CGES and MWR employees working the bingo function and members of their immediate family may not take part in bingo games or accept prizes awarded at the event. This also applies to volunteers serving as bingo callers and monitors.
 - d. Sponsors shall sign in all guests prior to the purchase of bingo cards.
 - e. Commanding officers may permit official CG-affiliated organizations, such as the Chief Petty Officer Association, Warrant Officer Association, etc. to conduct bingo events on a not-to-interfere basis with the CGX or MWR activities. These bingo functions may only be authorized if conducted for charitable fund-raising purposes.
 - f. Commanding officers shall establish prize amount limits for all bingo games. Bingo prizes may be cash or merchandise. Commanding officers must be sensitive to local community perception and use proper judgement regarding the type and size of bingo prizes awarded. Under no circumstances may the prize value for a single game exceed \$1000. In the U.S., its territories and possessions, on installations fully ceded, and on bases not fully ceded where bingo is not prohibited by state or local law, the cash/merchandise prizes or a combination thereof may not exceed 90 percent of annual bingo revenues.
 - g. When there is more than one winner of a prize, the cash will be divided equally among the winners. Unless otherwise agreed to by the individuals concerned, merchandise prizes will be awarded to the person who wins a coin toss.
 - h. Bingo winners will sign their names and personal identification data on the bingo activity sheet before receiving prizes. If the winner is a sponsored guest, the sponsor's name shall also be recorded.
 - i. Cash received is controlled by pre-numbered tickets, issued by serial number to the patron, or by bingo card serial numbers. The bingo cashier is accountable for any missing numbers when turning in the receipts. Bingo cashier accountability is based on the number and value of bingo cards sold.

5-E Monte Carlo Events

1. Subject to the commanding officer's discretion, Monte Carlo games may be conducted by the CGX or MWR to raise funds for the support of MWR programs. Monte Carlo is a scheduled event that provides games and activities played exclusively for entertainment and does not provide any monetary gain in the form of legal tender to the participant. This does not preclude the award of non-monetary prizes.
2. Once a patron purchases the necessary instrument, that is, tickets, chits, or chips, used to participate in the available games and activities, no reimbursement may be made for unused instruments.
3. In the United States, Monte Carlo games shall conform to state and local requirements unless these events are played at installations under exclusive federal jurisdiction. International agreements apply overseas.
4. Regardless of state or local policies, slot machines, roulette wheels, and other mechanical devices, designed and manufactured primarily for use in connection with gambling, are prohibited as part of Monte Carlo events.
5. Employees of the club, their families, and participating volunteers will not take part in Monte Carlo games or accept prizes awarded at the event.
6. No more than four Monte Carlo nights will be conducted by the CGX or MWR within a one year period. Additionally, CG-affiliated organizations may conduct one Monte Carlo night per year, provided it is conducted for charitable purposes. When a Coast Guard organization sponsors Monte Carlo, all income from food and beverage sales will go to the CGX.
7. Only authorized patrons and their guests will be allowed to play Monte Carlo games.
8. Instruments can be obtained through the purchase of food or beverage sales; however, prices or items sold will not be increased over regular prices.
9. Random drawings for prizes may be held. Numbered tickets for the drawing(s) will be available, free of any charge, to all event attendees. Receipt of a numbered ticket and subsequent participation in a drawing will not be premised on an admission charge or the amount of instruments accumulated. Gaming instruments may not be converted to numbered tickets.

5-E-10. Standing operating procedures will be set up containing, as a minimum, the following:

- (a) Frequency intervals when the event will be conducted.
- (b) Strict enforcement of bona fide guest policy.
- (c) Publication and dissemination in advance of all pertinent rules of play.
- (d) Inventory procedures for equipment used in the event.
- (e) Provisions that only specified employees handle all cash transactions.
- (f) Prohibition of the conversion of currency into play money or chips at game areas.
- (g) Prohibition of packaged alcoholic beverages or cash being used as prizes.

Chapter 6. ADMINISTRATION OF MORALE, WELFARE, AND RECREATION FUNDS

A. Purpose. The purpose of this chapter is to establish guidelines and procedures for the proper and effective use of morale funds.

B. Definitions.

1. Morale Funds are non-appropriated money received from the Coast Guard Exchange System (CGES) and revenues from charges and user fees placed on the use of MWR facilities and services. Morale funds are used to support the MWR program.
2. Unit MWR Funds are funds available to support the MWR program. They include morale funds and the portion of unit appropriated funds allocated to MWR.
3. Consolidated Morale Funds are non-appropriated funds administered by a district or group office to provide a single source of MWR funds for all or several district units.
4. Unit Morale Funds serve the needs of an individual unit.
5. G-PXM MWR Account is administered by Commandant (G-PXM) in support of the overall Coast Guard MWR program. The source of these funds is CGES available profit. Funds are distributed to districts, MLC's, and HQ units utilizing a system designed to provide a fair and equitable per capita amount Servicewide.
6. Fund Administrator is the commanding officer or district commander or MLC commander who has jurisdiction over a unit morale fund or consolidated morale fund.
7. Fund Custodian is the person designated by the fund administrator to have custody of and accountability for morale funds.
8. MWR Budget is a financial plan for the conduct of a unit's MWR program (it includes both appropriated and non-appropriated funds).
9. Internal Audit refers to the audit of a morale fund by personnel of the command.

6-C. MWR Budget Execution.

1. **Unit Morale Fund Budgets.** Proper and timely budgeting is a critical element in ensuring a successful MWR program. It is most critical at large units which are committed to recurring facility and salary costs. Under the current system units may receive funds from several different sources including local CGES activities, parent morale unit, MWR fees and charges, and donations. Since most of the annual MWR allocation is directly dependent on CGES profit it will not be unusual for units to experience fluctuations in available funds. Budgets must be developed and executed based on known allocations and realistic estimates. Under this system, units with CGES activities cannot simply extract more profit or retained earnings from their resale activities to cover excess expenditures in MWR. Fund custodians must ensure (through the analysis of financial transactions and projected program requirements) that the MWR activity is operating within available funds. Analyses should identify obligations incurred, planned obligations and financial resources on hand and projected. The budget should be reviewed by the fund administrator on a monthly basis. Cash budgets will be prepared to forecast cash receipts and cash disbursements and to project balances on specified dates for those units that have established resale departments, such as crafts shops, etc., or that have established fees and charges for participation in MWR activities. It is imperative that adequate cash to meet daily needs is available. The commanding officer is the approving authority for unbudgeted expenditures, and approval shall be specified in terms of amount and purpose.
2. **Consolidated Morale Fund Budget.** Morale funds with responsibility for several subordinate units have a particularly critical role in the budget process. Districts and MLC's will receive 25 percent of the available profit (AP) of the CGES activities under their command and may also receive a yearly allocation from Commandant (G-PXM) to redistribute to their units in order to average the level of MWR activities.
3. **Coordination with CGES.** MWR officers at units with exchanges shall coordinate unit MWR budgets with CGES officers to verify that projected exchange profits are available to meet MWR program budget requirements. The CGES officer should endorse the MWR Budget before submission to the commanding officer.
4. **Morale, Welfare, and Recreation Budget approval.** Appropriated funds used for MWR must be accounted for in the annual appropriated fund budget. Accordingly, an

6-C-4. (Cont'd) annual budget for Non-Appropriated Funds (NAF) must also be prepared. The approving authority for NAF budgets are as follows:

- a. Coast Guard Group offices must submit their annual NAF budgets to either their District (a) office or their MLC (p) office, whichever is their source for MWR NAF. The Group's budget must include the MWR NAF expenditures for the group office and subordinate units within their responsibility.
 - b. Headquarters units must submit their MWR NAF annual budgets to Commandant (G-PXM) for final approval. A copy must also be forwarded to their Headquarters Program Manager. Their budget must include the MWR NAF expenditures for their unit and subordinate units within their responsibility.
 - c. Coast Guard units that do not fall within the chain of command of a Coast Guard Group or a Headquarters unit, must submit their annual MWR NAF budgets for final approval to either their District (a) office or their MLC (p) office, whichever is their source of MWR NAF.
 - d. District (a) and MLC (p) offices must submit their annual NAF budgets for final approval to Commandant (G-PXM).
5. The budget approval is an authorization to incur obligations and liabilities against the morale fund. However, if expected or actual income is less than needed to support MWR activities, then adjustments in those activities is required.
6. Non-appropriated budgets must be approved NLT 30 November each year. The NAF fiscal year runs from 1 February through 30 January.

D. Budget Policy for Operations.

1. General. The classification of a MWR activity as mission sustaining (Category A), basic community support (Category B) or business (Category C) generally governs applicability of appropriated fund (APF) and non-appropriated fund (NAF) support. In general, Category A and Category B activities depend largely on appropriated funds, with non-appropriated funds used as a supplement to maintain operations when necessary. Category C activities are primarily dependent on non-appropriated funds to sustain operations. All costs

6-D-1. (Cont'd) directly related to the sale of merchandise or services and to the internal management (e.g., NAF financial management, NAF personnel management, NAF forms, NAF payroll documents and time clocks/sheets) of MWR programs should be financed using non-appropriated funds, regardless of category of activity. Both appropriated and non-appropriated funds required to support military MWR programs must be identified in annual budgets.

2. Direct Operating Costs.

- a. Operations of Category A (Mission Sustaining) Activities. Category A activities are generally financed with appropriated funds (APF). Non-appropriated funds (NAF) may be used to supplement appropriated funds and must be used for the following:
 - (1) costs associated with NAF employees assigned to Category A activities;
 - (2) costs incurred related to the sale of goods and services; and
 - (3) costs related to the internal management of MWR.
- b. Operations of Category B (Basic Community Support) Activities. Category B activities are also generally financed with appropriated funds. Non-appropriated funds may be used to supplement appropriated funds and must be used for the following:
 - (1) costs associated with NAF employees assigned to Category B activities;
 - (2) cost incurred related to the sale of goods and services;
 - (3) cost related to the internal management of MWR; and
 - (4) royalty payments for music and theater.
- c. Operations of Category C (Business) Activities. Category C activities are generally financed by non-appropriated funds. Appropriated funds may be used only in the following specific instances:
 - (1) transoceanic and inland transportation of U. S. and foreign goods purchased with APF;

- 6-D-2. c. (2) transoceanic movement of NAF purchased goods to and from CONUS sea and aerial ports of debarkation to first destination overseas, including Alaska and Hawaii, and to the first foreign (including Guam and Puerto Rico) destination for goods stocked and redistributed or procured from Alaska and Hawaii;
- (3) transportation of NAF purchased goods in foreign areas where commercial transportation is not available, and in combat zones;
- (4) movement of NAF purchased U. S. goods between DOD/USCG installations because of base closures or to safeguard goods under emergency conditions, e.g., threat of hostile force or natural disaster;
- (5) transportation of NAF purchased goods if authorized for APF purchase;
- (6) utilities, including fuel, for activities located overseas including Alaska, Hawaii, and Puerto Rico;
- (7) electronic communications in support of command management functions, statistical data gathering, communications with other DOD/USCG and Government agencies, overseas including Alaska, Hawaii and Puerto Rico;
- (8) postal services involving official communications within and between Government agencies, persons and private commercial agencies not related to the sale of goods and services;
- (9) equipment maintenance for NAF purchased equipment, if authorized for purchase with APF where title transfers to the Government;
- (10) printing and reproduction not related to the sale of merchandise or services or the internal operation of MWR programs;
- (11) routine grounds maintenance;
- (12) acquisition of surplus/excess Government equipment;
- (13) rents and leases overseas including Alaska, Hawaii and Puerto Rico;

- 6-D-2. c. (14) architect/engineer services in support of APF construction and in support of NAF construction, provided that no additional personnel authorizations are required;
- (15) investment equipment in support of food preparation equipment;
- (16) purchase of real property as approved by Congress; and
- (17) use of existing facilities.
3. Joint Service Facility, temporary lodging facilities, and recreation rental equipment checkout activities are authorized to use APF to support the following:
- a. personnel performing managerial functions, or requiring technical/professional qualifications or those accountable for appropriated funded resources, and the protection of the interest of the Federal Government;
 - b. use of Government owned vehicle/Government contracted vehicles, for other than to assist in executive control and command supervision;
 - c. utilities, including fuel, in the continental United States (including temporary lodging facilities);
 - d. equipment maintenance for Government owned equipment authorized for or on loan to MWR activities;
 - e. custodial and janitorial services (except exchanges, which must use NAF);
 - f. maintenance and repair performed on a recurrent, day-to-day, periodic or schedule work required to maintain and support activity operations;
 - g. supplies that are not related to the sale of merchandise or services; and
 - h. equipment not related to the sale of merchandise or services.
4. Business activities (Category C) located in extremely remote and isolated areas, as approved by Congress, may be provided appropriated support similar to that authorized for basic community support activities (Category B).

6-D-5. Private Ownership. Privately owned items may not receive financial support from either appropriated or non-appropriated funds. Private ownership support includes that provided to privately owned recreational vehicles, boats, or horses that are operated, maintained, moored, or stabled by MWR activities. Such support will be provided on a reimbursable basis only.

6. Child Care. Coast Guard facilities may be used for military and civilian child care centers and administrative offices for dependent care programs. For military child care programs, appropriated funds are also authorized for child development center directors, assistant directors, supervisory staff, administrative clerks, and for monitoring programs to ensure child safety and quality care in Government facilities, and to guard against potential Government liability. Generally, costs directly related to the care of dependents, including care-giver wages, may be paid from appropriated or non-appropriated funds. APF support for other than center based care (e.g., family day care/home referral services) will be considered family support costs and will not be budgeted, accounted for, or reported as MWR costs.

E. Funding. Unless otherwise specified, the following general rules apply to the funding of the MWR program. Funding policy and guidelines are in section 6-D above and must be followed.

1. MWR facilities should be operated and maintained to the extent possible and permitted with appropriated funds;
2. equipment for MWR program administration, outfitting MWR facilities, or to support MWR activities is generally chargeable to appropriated funds (i.e., televisions, VCR's, furniture, etc.). It may be more cost effective to rent particular items on a case by case basis versus procurement, depending on anticipated usage.
3. supplies for MWR activities are generally chargeable to appropriated funds (i.e., uniforms, recreational gear locker items, see 5-b-13 for type of gear lockers, etc.);
4. memberships at local commercial athletic facilities such as YMCA's, etc., are chargeable to appropriated funds, however, they must first be approved by district/MLC, Chief of Staff, (Comptroller Manual, Volume I, M7300.4 (series)).
5. travel costs for individuals or groups participating in officially sponsored sports competition will generally be borne by the member. Monetary support is authorized, however, only from non-appropriated funds;

6-E-6. awards in recognition of military/professional achievements and performance of military members and civilian personnel are authorized for purchase from appropriated funds, i.e., Saving Bond for Coast Guardsman of the Quarter.

7. resale items shall be purchased only with non-appropriated funds;
8. tickets for sports entertainment, or cultural events, whether for resale or "giveaway" shall be purchased only with non-appropriated funds;
9. consumable items (food, beverages, napkins, paperplates, etc...) for picnics and parties shall be funded only with non-appropriated funds.
10. paid coaches and officials shall be funded from non-appropriated funds. (Commands with contracting authority may finance non-personal service contracts from appropriated funds to procure officials subject to the criteria in DOT Procurement Regulations and Coast Guard Procurement Procedures.) Normally, voluntary Coast Guard members should be used as officials. However, they may be compensated from morale funds in an amount not to exceed the normal fees for paid officials in the local area. Personnel officially assigned duties in the MWR program may not receive compensation for officiating activities in the program;
11. any purchase which may be made using appropriated funds may also be made with non-appropriated funds. The reverse is not necessarily true; and
12. fees and charges should always be considered as a means to defray the cost of an MWR activity.

F. Morale Fund Loans.

1. Small short-term loans, not to exceed \$100 and payable within 3 months, may be made to Coast Guard personnel from morale funds. They shall be made only in exceptional cases of need or emergency with prior written approval of the fund administrator. Personnel in need of emergency loans over \$100 should be advised to contact Coast Guard Mutual Assistance.
2. Requests for a morale fund loan shall be prepared in duplicate using a local form or letter format. The form or letter shall contain the request, fund administrator's actions, and the loan contract. When a loan to an individual is authorized by the fund administrator, the morale fund officer shall complete the loan contract section indicating the amount of the loan and the terms of repayment. Both copies of the loan contract shall be

6-F-2. (Cont'd) signed by the individual when the loan is received. For each partial repayment received, the morale fund officer shall provide an appropriate receipt. Upon receipt of the final payment, both copies of the loan contract shall be endorsed "PAID IN FULL", dated and signed by the morale fund officer. The original of the form or letter shall be returned to the individual liquidating their loan. The duplicate will be retained to support the Morale Fund Loan Accounts Sheet (form CG-4518).

3. If, after every possible and reasonable effort has been made, a loan is determined to be uncollectable, it may be written off as a bad debt by making an endorsement to that effect on the loan contract. Endorsements will give the reason and be signed and dated by the fund administrator.

G. Fees and Charges.

1. Fees and charges should be levied for certain activities to help off-set the cost of MWR activities. Fees should be twenty-five percent lower on average than the fees for comparable commercial activities in the local community. Appraisals of comparable local commercial activities must be completed annually to maintain the 25% offset. A basic core of recreation activities should be free so that no person is denied the opportunity to participate in some kind of activity because of a lack of money.
2. As a guide to commanding officers.
 - a. The total MWR program is not intended to be profit generating, even though certain activities may operate at a profit.
 - b. The level of charges for the use of a facility should be governed by the need to meet the operating cost of the total program, including amortization of facilities constructed with MWR funds.
 - c. Fees for activities of a highly specialized nature involving high cost of equipment, operation, or maintenance and having limited interest and participation, such as skeet or trap shooting, should be sufficient to offset the cost of the operation.
 - d. As a general policy, fees and charges should be employed to enrich the program and provide services which could not otherwise be offered.
 - e. Rental fees should amortize the cost of the equipment, and should fund associated operating expenses.

- 6-F-2. f. When fees are established, no one should be exempt from payment. Each individual should be charged the established fee for an equivalent amount of participation.
- g. It is not unreasonable to place a higher charge for a short period of time on an activity in order to amortize the cost of a capital improvement.
- h. Fees for participation in MWR activities may not be paid directly to instructors or individuals providing the service. All fees shall be deposited in the morale fund.

3. Fees and charges are identified and classified as follows:

- a. Admission Fees: Admittance to buildings or structures where entry and exits are controlled and attendance regulated. Examples: shows, dances, and athletic contests.
- b. Rental Fees: Exclusive use of tangible property. Patron has the right to enjoy use of property without consuming, destroying or damaging it in any way. For example: golf carts, camping equipment, boats, trailers, etc.
- c. Facility Use: Charges for use of facilities essential to participation in a particular activity. For example: bowling lineage fee, golf green fees.
- d. Sales Revenue: Sale of merchandise when authorized. Ownership of item passes from seller to buyer with each sale. Example: from vending machines, hobby shop supplies.
- e. Special Charges: Service for a particular purpose which is not normally a required governmental service. Examples: entry fee for bowling tournament, fee for organized classes, bridge tournament, etc.

H. Prohibited Use of Morale Funds. The expenditure of Morale funds is limited to those that benefit the unit from an MWR standpoint. The expenditure of MWR funds for the following is not authorized:

1. Receptions or expenses of functions incident to activation of a new command or change of command ceremonies (use XXF funds), however, commands are authorized to use morale funds for all hands party in conjunction with change of command ceremonies.

6-H-2. Support of activities and programs that benefit only a few, such as "retirement" gifts (i.e., golf clubs, attache cases, luggage, etc.); donations to wives clubs, officers association, CPO association and other private associations. The Morale Fund, however, may contribute to activities sponsored by private associations which are for the benefit of unit members (i.e., Children's Christmas party sponsored by CPO association).

3. Welcome aboard and farewell gifts may be authorized using the following guidelines:

- a. The items to be given as gifts must be purchased with unit non-appropriated funds;
- b. it should be command policy that every active-duty member arriving/departing PCS receives the same item(s) regardless of pay-grade or position in command. This criteria should pertain to the cost of gifts as well;
- c. it is also recommended that the command involve the morale committee in the selection of "welcome aboard/farewell" gifts; and
- d. the price of "welcome aboard/farewell" gifts should be nominal. MWR funds are limited and there may be many competing interests.

4. Award of rating badges, wing insignia, and similar items not related to the MWR program. (See paragraph 5.B.12 for Sailor of the Year/Quarter awards.)

5. Support of functions which are held primarily to accomplish public affairs objectives; i.e., social events to which civilians are invited (or the scheduling of MWR events) for public relations purposes.

6. To defray operating expenses or to purchase equipment necessary to the operation of officers' messes, petty officers' messes, general messes, clubs, exchanges, or commissaries. (This does not preclude the use of morale funds to finance or assist in financing items of MWR equipment, i.e., TV sets, pool tables, coffee pot, etc., so long as expenditures are made on an equitable basis in support of all clubs and messes.)

7. Payments to military personnel for services rendered as an individual or as a member of a team, including officers in charge and members of their staffs, participating in authorized recreational events. (This does not preclude payment of travel expenses in connection with such participation.) Fees may be paid to military personnel acting as officials at authorized athletic events, provided payments do not exceed the

- 6-H-7. (Cont'd) standard rate for the sport in the area. In addition, personnel officially assigned duties within the MWR program may not receive compensation for officiating any event within that program.
8. To defray operating expenses of dependents' schools nor to pay tuition or fees incident thereto.
 9. Donations to or expenditures for any charitable or fraternal group or organization.
 10. Payment to officers for administrative work performed on MWR matters.
 11. Payment to enlisted personnel for work performed on MWR matters unless the following conditions are met:
 - a. The work is voluntary and/in addition to their regular assignment and is performed during off-duty hours; and
 - b. employment, by reason of hours or nature of the work, does not interfere with the proper and efficient performance of their military duties, which shall at all times take precedence on their time, talents, and attention.
 12. Payment to civilians for work performed at any time on MWR matters if they are already full-time civilian employees of the Federal Government, whether paid from appropriated or non-appropriated funds (Dual Compensation Act applies).
 13. To construct, alter or renovate any facility or for procurement of any item of equipment not used primarily as an integral part of the MWR program.
 14. Support of religious programs.
 15. Payment of instructors, tuition, or purchase of books for off-duty military education programs.
- I. **Morale Fund Assistance.** Commanding officers may request MWR financial or administrative assistance from the district or MLC responsible for their program via the chain of command. The commanding officer shall provide the district or MLC with full details of the need, proposed use of the funds, number of personnel supported, and any other pertinent information. When the proposed use may be chargeable to appropriated funds, complete information regarding efforts to obtain these funds will be provided.

6-J. Taxes.

1. Legal Status. A morale fund is an instrumentality of the Federal Government. As such it is exempt under the Constitution and Federal Statutes from certain taxing authorities. These immunities are included in the discussion below. Morale Funds should be administered to take advantage of these exemptions.
2. Federal Taxes Applicable. The MWR officer shall obtain annually a copy of the Employer's Tax Guide, Circular E from the District Director of Internal Revenue and shall comply with its provisions. Employees of MWR activities are subject to Federal Tax Payment and Withholding Provisions.
3. Federal Taxes not Applicable.
 - a. MWR functions and profits are exempt from the provisions of the Internal Revenue Code. Returns for Federal income taxes need not be filed.
 - b. MWR activities are exempt from payment of the Federal Communication Tax on the following types of communications:
 - (1) Long distance telephone or radio telephone messages.
 - (2) Domestic telegraph, cable, or radio dispatch messages. No certificate of exemption is necessary to establish exemption from the tax on amounts paid directly for telegraph, telephone, radio, and cable services or facilities. A MWR activity may note on any bill submitted that it is an instrumentality of the United States. This exemption applies only to official calls and services and does not apply to personal calls made through the facilities of the activity.
4. Communications with Federal Authorities. The initiation of inquiries or replies to Federal authorities regarding taxation and regulations affecting MWR functions and/or unit morale funds shall be cleared via chain of command with Commandant (G-PXM) before any action is taken.
5. State and Local Tax. Instrumentalities of the United States Government are not subject to direct taxation by State or local taxing authorities, except when authorized by Federal statute. Inquiries or replies to State or local officials on matters pertaining to taxation shall be cleared via chain of command with Commandant (G-PXM).

- 6-J-6. Withholding of State and Local Income Taxes. MWR employees are subject to State income tax, local income tax, and the associated with-holdings requirements. Taxes shall be withheld from wages of civilian and military employees and remitted to the appropriate taxing jurisdiction.
7. State Taxes Not Applicable. MWR functions and/or unit morale funds are exempt from payment of the following State and local taxes:
- a. Unemployment insurance taxes and contributions;
 - b. real estate and personal property taxes;
 - c. sales, use and license taxes on property purchased for consumption or resale, to the same extent as other departments of the U. S. Government; and
 - d. gasoline taxes, same exemptions as other Departments of the U. S. Government.

K. Disestablishment of Funds.

1. Policy and Procedures for Liquidation. Assets supporting morale fund activities shall be used judiciously so that these resources are available for future use at other units in support of Coast Guard-wide MWR requirements. Commanding officers shall ensure proper redistribution of equipment. The following procedures are intended to prevent the occurrence of claims and adjustments subsequent to disestablishment of morale fund activities. These procedures are applicable to commanding officers of cutters, as well as cognizant authorities and persons in charge of other units.
2. Actions Required.
 - a. Dispose of all equipment as outlined in chapter 10.
 - b. Cancel all outstanding orders. Reroute outstanding purchase orders that cannot be canceled to other units.
 - c. Survey (if applicable) all unsaleable resale merchandise on hand and redistribute to other units, as directed by the cognizant authority.
 - d. Contact all creditors to determine that liabilities do not exist. If obligations cannot be liquidated before disestablishment, creditors should be instructed to forward claims to the district/MLC for payment.
 - e. Ensure (if applicable) that all employees are paid accrued annual leave, are paid up-to-date at their current rate of pay, and that W-2 forms are completed and submitted to each employee.

- 6-K-2. f. Ensure (if applicable) that all participating employees are given the right to convert their life insurance and comprehensive medical policy to other coverage.
- g. Ensure (if applicable) that all participating employees are aware of the option to withdraw their contributions from the retirement program or to leave their contributions in the plan.
- h. Advise the district/MLC of the amount of potential unemployment claims which may result from closure action. District/MLC must provide for this potential in subsequent budgets.
- i. Advise the bank where unit morale funds are on deposit, in writing, to forward the final bank statement and any bank balance to Commandant (G-PXM), successor to the account. Checks shall be made payable to "Coast Guard Headquarters Trust Fund."
- j. Prepare a letter to the district/MLC which shall:
- (1) State specifically that all steps listed above have been taken and, if applicable, the status of any outstanding obligations or claims against the fund;
 - (2) state location where unit morale fund records are stored;
 - (3) include an audited copy of final financial statement; and
 - (4) prepare a check or postal money order payable to Coast Guard Trust Fund for the remaining morale funds, taking into consideration outstanding checks and forward same to Commandant (G-PXM).
- L. Borrowing. The borrowing of funds commercially or purchasing on deferred payment plans without prior written authorization from Commandant (G-PXM) is prohibited.
- M. Loss of Morale Funds.
1. Small shortages which can be attributed to errors in change making and are of a nonrecurrent nature should be noted on the quarterly report with no further action.
 2. Significant shortages should be reported immediately to Commandant (G-PXM) via the chain of command for possible relief under current insurance coverage. The information required by the Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual, (COMDTINST M7010.5 (series)), enclosure (21) must be included in the report.

6-M-3. The commanding officer shall initiate an investigation in cases of suspected fraud or theft and shall notify the nearest office of Coast Guard Intelligence.

N. Donations. It is not unlikely for grateful boat owners or members of the civilian community to wish to make a donation to a unit morale fund. Subject to the provisions of Part 99, of Title 49 Code of Federal Regulations (CFR) and compliance with Part IV, Chapter 12 COMDTINST M7300.4 (series), district commanders and commanding officers of major HQ units may accept gifts of \$2,000 or less on behalf of the unit morale fund subject to the following conditions:

1. Donations of cash should be made directly to the commanding officer. Field personnel involved in the performance of their duty should not accept donations on the scene of an operational incident. Interested donors should be provided an address or telephone number to contact the unit commanding officer.
2. Checks should be made to the unit morale fund, not an individual.
3. Donations of property (such as a recreation boat) should be unconditional and the donor should write a letter to that effect; the letter should also verify that there are no outstanding liens against the property. Property records should be maintained the same as for other morale property.
4. Donations of property should always be reviewed with consideration for the unit MWR fund ability to maintain the property.
5. All other offers of gifts valued in excess of \$2,000 must be referred to Commandant (G-ELM) via the chain of command for approval. Requests should clearly indicate that the appropriate conditions have been met. A letter from the donor with information described in paragraph 6-N-3 above must accompany the request.

O. MWR Grant Program.

1. The MWR Grant Program provides a mechanism for units to request MWR funds needed to supplement or "bail out" an existing MWR program that is experiencing a budget shortfall. The Grant Program does not apply to new MWR initiatives or projects. The Grant request must support a justifiable need wherein the budget shortfall is unacceptable.
2. The following criteria and rules apply to requests for MWR Grants:

- 6-0-2. a. The requested budget supplement is needed to sustain the core of MWR activities currently offered by command which benefits all, not just part of the Coast Guard community.
- b. Grants will not be considered for expansion projects or to support/offset losses for MWR activities which are intended to be self sustaining through user fees, i.e., bowling alleys, recreation cottages, etc. Self sustaining activities are considered to be above the core of activities and must be operated in a business manner through increased user fees or closure if necessary.
- c. The following must be included with the request:
- (1) A copy of the complete unit MWR budget to include appropriated and non-appropriated fund sources;
 - (2) a narrative description of what MWR services will not be provided if Grant is not approved;
 - (3) a description of commands plan to correct the situation in the long term;
 - (4) a listing of available community and DOD facilities in the area;
 - (5) a statement that AFC-30 funds have been sought but are not available; and
 - (6) the ending check book bank balance for the last four quarters.
3. Unit requests require District/MLC endorsements. Endorsements supporting Grant requests must state that District/MLC non-appropriated funds or AFC-30 MWR funds are not available to support the budget shortfall.
4. Submit request via the chain of command to Commandant (G-PXM).
5. Commandant (G-PXM) will forward requests to the Coast Guard Trust Fund Board of Control for approval or disapproval.

Chapter 7. STAFFING

A. General.

1. This chapter governs the administration of civilian personnel employed by MWR in the Coast Guard.
2. The expenditures of appropriated funds to staff MWR positions is authorized. Authorized positions in MWR should be civil service positions. Commanding officers shall not convert authorized civil service positions to non-appropriated fund positions without prior approval from Commandant (G-PXM).
3. Officer or civilian employees assigned to direct a MWR program shall be qualified for that position. A person may become qualified either by experience or by attendance at one of the recreation management courses offered by civilian universities or by other branches of the Armed Services. For civilian positions refer to the OPM Qualification Standards for each separate occupation.

B. Definitions.

1. Appropriated Fund Employee is a person whose basic salary is paid from appropriated funds.
2. Non-Appropriated Fund (NAF) Employee is an individual whose basic salary is paid from non-appropriated funds.
3. MWR Employee is an employee who works within morale, welfare, and recreation whose salary can be either appropriated or non-appropriated funds.
4. Local National NAF Employee is a citizen of a foreign country who is employed in that country by or for a non-appropriated fund activity which is operating under a standard agreement with that host country.
5. Third Country National NAF Employee is a citizen of a foreign country other than the host country (and the United States) in which the non-appropriated fund activity is established.

C. Personnel Management.

1. Appropriated fund MWR employees shall be administered in accordance with local civil service and OPM policies.
2. NAF MWR employees shall be administered in accordance with the Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series), enclosure (53)). The establishment of any position must be reviewed and approved by Commandant (G-PC).
3. The termination of a NAF MWR employee may result in an unemployment claim. MWR officers should determine the amount of liability and budget non-appropriated funds as necessary to cover this contingency.

7-D Travel of MWR Personnel. Travel performed by military or civilian personnel requiring appropriated and non-appropriated funds while performing functions for MWR activities shall be approved by the fund administrator.

E. Training. Morale, Welfare, and Recreation (MWR) training programs are available through the Navy. Classes are convened at intervals throughout the year. The program is limited to MWR officers and assistant MWR officers or personnel who will be assigned these duties in the near future. Commands desiring more information should contact Commandant (G-PXM).

Chapter 8. REPORTS, RECORDS, AND AUDITS

A. General. District commanders, commanding officers of Headquarters units, and commanders of maintenance and logistics commands are the designated authorities to administer morale funds. This responsibility is usually located in the district/MLC/HQ unit (ap) branch. District commanders and commander, maintenance and logistics commands may authorize a unit morale fund to be established at units under their cognizance where such establishment is practical and where the MWR Program is sufficiently large enough to warrant local fund administration.

B. Definitions.

1. Consolidated Morale Fund. This fund is established at the district, MLC or HQ unit level and receives MWR NAF funds from Commandant (G-PXM). The Consolidated Morale Fund administrator prepares quarterly financial reports of MWR expenditures. The Consolidated Morale Fund administrator also maintains, distributes, and accounts for MWR NAF distributed to subordinate units.
2. Unit Morale Fund. A morale fund established at a unit which is for the sole use of that unit. A Unit Morale Fund receives quarterly MWR NAF distributions from district commanders or commanders of maintenance and logistics commands. The unit is responsible for preparing quarterly morale fund financial statements.
3. Group Morale Fund. A morale fund established at a Group for the use of the Group office and Group units. Group's receive quarterly MWR NAF distributions from district commanders or commanders of maintenance and logistics commands. The Group Morale Fund Custodian will maintain, distribute, and account for MWR NAF, and prepare quarterly financial reports of all MWR expenditures, including Group units.
4. Satellite Morale Unit. A subordinate unit to either a Consolidated Morale Fund or Group Morale Fund. A Satellite Morale Unit maintains no unit morale fund and submits no formal morale reports. Funds are transferred by cash or check to a satellite unit from either a Consolidated Morale Fund or Group Morale Fund to cover morale activities on a case by case basis. Expenditure receipts and unspent funds must be sent to the "parent" MWR fund.

8-C. Morale Fund Financial Statement (CG-2985).

1. General. The Morale Fund Financial Statement is the basic document for recording morale activities and reporting the financial status of the morale fund. It provides the unit commanding officer with a capsule view of morale fund operation during the period of the report. The following forms support the information contained on the Morale Fund Financial Statement.
 - a. Operating Summary, MWR Activities (CG-4518).
 - b. Morale Fund Transaction Accounting Sheet (CG-4517).
 - c. Morale Fund Loan Accounting Sheet (CG-4518).
 - d. Morale Fund Inventory Accounting Sheet (CG-5017).

Depending on the MWR Activities conducted at a unit all the forms may not be required. Enclosure (6) provides detailed guidance in preparing the report and supporting forms (RCS-G-PXM-5022 applies).

2. Submission. All morale funds are required to complete and submit a Morale Fund Financial Statement as follows:
 - a. Unit morale funds and consolidated (group office) morale funds to district/MLC/HQ unit as appropriate via the chain of command.
 - b. District/MLC/HQ unit to Commandant (G-PXM).
3. Reason for Report.
 - a. Quarterly. Quarterly reports shall be prepared and submitted as prescribed above to the cognizant authority within 10 days of the month following the end of the quarter. Closing dates for the four quarters are 30 April, 31 July, 31 October, and 31 January.
 - b. Disestablishment of Morale Fund. Upon disestablishment of a morale fund, a Morale Fund Financial Statement shall be prepared and submitted within 15 days reflecting the final disposition of all assets and liabilities. The morale fund's net worth on the final (audited) statement shall be \$0.00. Commanding officers shall forward 100 percent of the final cash balance to Commandant (G-P) making the check payable to the "Coast Guard Headquarters Trust Fund."

8-C-3. c. Relief of Morale Fund Custodian. When permanently relieved, the morale fund custodian and successor shall jointly prepare a Morale Fund Financial Statement as of the date of relief. The morale fund custodian retains responsibility until relieved by signature on the Morale Fund Financial Statement.

4. Distribution of Copies. For quarterly, final, and relief reports, three signed copies shall be prepared. The first copy shall remain in the unit records, and two copies shall be forwarded to the cognizant authority. Additionally, upon relief of the custodian, photocopies should be made for the outgoing and incoming custodians.
5. Message Report. In the case of vessels underway on a closing day, and a standard report cannot be submitted, a simple message report shall be sent to the cognizant authority. See enclosure (7) for message format.
6. Corrected Reports. In the case of errors, a corrected report shall be forwarded as prescribed for regular reports. Red pen and ink corrections on a photocopy of the original report with a letter explanation of corrections is sufficient.

D. MWR Surveys.

1. Annual Survey of Morale Activities. The annual survey should be submitted to Commandant (G-PXM) by districts, MLC's, and Headquarters units by 1 March. It contains both financial and survey information pertinent to the overall administration of the MWR program. Enclosure (8) provides detailed guidance in completing the annual survey (RCS-G-PXM-5300 applies).

2. MWR User Survey.

- a. To ensure MWR expenditures promote programs that operate for the greatest benefit of its customers, MWR user needs must be assessed. An active Morale Committee should provide input from their constituents. Another assessment mean is through the use of a MWR User Survey.
- b. All commands must conduct MWR User Surveys at least once every three years to ensure the MWR program remains responsive to our members.
- c. The MWR Officer should distribute the survey to all active duty members of the unit. It should also be made available to dependents and retirees who may be served by the MWR program.

- 8-D-2. d. The MWR Officer must report the survey results to the Commanding Officer. The report should include any problems and recommendations to correct the problems. For example; if the survey reveals that few Coast Guard members are using a particular MWR activity, or that an activity requires a disproportionate amount of MWR funds to support it, the MWR Officer should recommend redirecting those resources into a more popular MWR activity.
- e. The survey should be used as a planning tool in developing annual MWR budgets.
- f. Enclosure (16) is a sample MWR User Survey. This survey, modified to assess your particular unit MWR program, will meet the survey requirements. At a minimum an MWR User survey must provide the following information:
- (1) A listing of all MWR activities available locally. (Include community and other military facilities as appropriate.)
 - (2) 'Frequency-of-use' information to determine MWR User participation for each activity.
 - (3) User awareness of all available MWR facilities/activities.
 - (4) MWR user comments and/or recommendations.

E. Records and Accounts.

1. General. All records shall be kept so that auditors and inspecting officers will be readily able to identify and analyze individual transactions to determine the financial conditions of the morale fund. Each entry on forms or accounts shall be legibly written in ink or by typewriter.
2. Morale Fund Financial Statement (CG-2985). Each unit shall maintain a file of previous 2985's submitted and the following supporting documents, as appropriate:
 - a. Morale Fund Transaction Accounting Sheet (CG-4517) - this is the principal book of entry for the morale fund. The accounting sheet is used to record all receipts and expenditures that affect the net worth of the fund.

- 8-E-2. b. **Morale Fund Loans Accounting Sheet (CG-4518)** - this is used to record loan transactions. A file of 4518's must be maintained as part of the morale fund file system. The 4518's are utilized to determine entries for items 18 thru 24 on the Morale Fund Financial Statement (CG-2985). Morale Fund Loan Accounting Sheets (CG-4518) are not submitted as part of the quarterly report, however, must be available for the auditors review.
- c. **Morale Fund Inventory Accounting Sheet (CG-5017)** - this is used to keep a running balance of inventory level and to record date, quantity, and value of purchases. The 5017 will not be part of the quarterly Morale Fund Financial Statement submission, however, must be available for the auditor's review.
- d. **Operating Summary, MWR Activities (CG-2985A)** - this is designed to record the operation of resale activities. It will be part of the documentation submitted to support figures on the quarterly Morale Fund Financial Statement.

Detailed instructions and examples to fill out all forms are included in enclosure (6).

3. **Checking Account.**

- a. All morale funds shall maintain a file of checking account bank statements, canceled checks (if returned), deposit receipts, and checkbooks.
- b. Checking accounts shall be maintained in accordance with the following instructions:
- (1) Bank accounts shall be carried in the full name of the morale fund, not in the name of an individual. All checks shall be printed with the full name of the morale fund.
 - (2) Bank depositories shall be notified in writing that the Coast Guard Trust Fund is successor in interest to the morale fund bank account and that no responsibility will attach to the bank after transfer of funds to or under order of, the Coast Guard Trust Fund. A copy of this letter shall be forwarded to the cognizant authority and to Commandant (G-PXM). (See enclosure (12) for sample letter format.)

- 8-E-3. b. (3) Except where cash accounts have been authorized, all expenditures from established morale funds shall be made by check only.
- (4) The checkbook shall be kept up to date. When checks are written, bank charges incurred, or deposits made, the checkbook shall promptly be updated showing check number, date, payee, reason of expenditure, and balance as appropriate.
- (5) All funds received shall be deposited within five (5) working days.
- (6) Districts, MLC's, and Headquarters units are required to participate in the CGES cash management program in accordance with Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series)). Additionally, any morale fund which maintains a balance in excess of \$10,000 for more than 30 percent of the year is also required to participate. Exemption from this requirement may be requested from Commandant (G-PXM). All other morale funds are encouraged to participate in the CGES Cash Management Program. Units with significant average daily balances can benefit from a greater interest rate than normally received at local banking institutions.
- (7) Those accounts not participating in the CGES Cash Management Program shall bank with a reputable banking institution where deposits are covered by Federal Insurance or where the banks are designated as United States governmental depository and financial agents, and are authorized by the Treasury Department to carry U. S. Government Accounts, against which they have lodged collateral for the benefit of the Treasury of the United States.
- (8) Checking accounts must be reconciled to the bank statement monthly.

4. Cash Account.

- a. When authorized by the district commanders, commanders MLC's or commanding officers of headquarters units, a cash account may be established in addition to or in lieu of a checking account. Authorization should be based on a known need for

- 8-E-4. a. (Cont'd) immediate cash. (In cases where a unit morale fund net worth is so small that a checking account would be impractical, the cognizant authority should first consider disestablishment of the morale fund and operation as a satellite morale unit.)
- b. The approving authority shall establish monetary limits consistent with the needs of the funds and fiscal controls on the cash account as appropriate.
- c. The unit shall maintain a record of the cash fund similar to that of a checkbook which documents receipts, disbursements, date, and reasons for transactions.

5. Savings Accounts and Reserves.

- a. Normally, units with excess morale funds above normal operating requirements or with funds awaiting a special project should deposit the excess in the NAFA Cash Management Program. U. S. Government Bonds, Notes, and Treasury Bills are also legal depositories for such funds.
- b. The purchase of stocks or other forms of securities is prohibited.

6. Accounts Payable File.

MWR officers are encouraged to pay their obligations promptly (i.e., obligations shall never be made without the immediate availability of funds). Nevertheless, it may be necessary to delay payment on an invoice due to disagreement with the invoice, partial shipment or order, or emergency administrative situations. A separate file of accounts payable shall be maintained for review by auditors to determine the morale fund liabilities.

7. Property Records.

The unit shall maintain property records of nonconsumable morale and recreation items with a purchase value of over \$100.00 (Chapter 3-D of COMDTINST M4500.5, Property Management Manual). Nonconsumable property shall be inventoried at least annually in conjunction with the audit procedure and at relief of custodian or disestablishment of the fund.

8. Retention of Records.

- a. All financial records, audit reports, supporting documents, and related correspondence and files shall be retained for at least 2 years after audit.

- 8-E-8. a. (Cont'd) Legal claims and inquiries would normally be instituted by individuals, firms, or governmental agencies during this period.
- b. Vessels being decommissioned or entering major overhaul where records are removed from the vessel, shall forward the complete pertinent records to the cognizant authority.

F. Audits. The primary responsibility for the audit of morale fund reports and activities rests with the commanding officer, or Chief, Personnel Branch (ap), as appropriate.

1. Audit Boards. The following criteria shall govern in the designation of audit boards:
 - a. The board shall function under the direct control and supervision of the commanding officer or Chief, Personnel Branch (ap).
 - b. The board shall consist of one or more qualified military or civilian personnel. When available, personnel will be selected who have had previous experience or training in accounting, auditing, financial administration, or related fields. At those units where the normal military tour is 3 years or more, active duty personnel will be appointed to boards who can reasonably be expected to be available to serve for a period of at least 2 years.
 - c. The board shall audit all morale fund activities. At large units with several complex MWR activities (i.e., bowling alley, golf course, etc.) it may be necessary to assign continuing responsibility for specific activities so an auditor can become thoroughly familiar with that activity.
2. External Audit. Public accounting firms shall not be engaged to replace or substitute audit boards. They may be used, to provide expertise not otherwise available to supplement local audit programs upon specific approval of Commandant (G-PXM) or district commander (ap), as appropriate.
3. Requirements.
 - a. Frequency. Each fund shall be audited at least once every 6 months, upon relief of custodian, and upon disestablishment. The audit cycle need not conform to mid and ending calendar years. The audit period, however, must conform to a budgetary accounting period.

- 8-F-3. b. Documentation. Audits shall be documented by the audit work papers and additional records as required to fully explain the audit findings and recommendations. Working papers shall be retained in audit files for inspection for a period of 2 years after audit.
- c. Inventories. Consumable property shall be inventoried in conjunction with each audit and the results reconciled with Morale Fund Inventory Accounting Sheet (CG-5017). Nonconsumable property shall be inventoried at least once a year and the results reconciled with property records. Inventories of both consumable and nonconsumable property shall be made upon the relief of the fund custodian.
- d. Cash Verification. Cash funds shall be verified in conjunction with each audit. Monthly bank statements and reconciliations should be reviewed for completion and accuracy.
- e. Certification. If the auditor(s) consider the financial conditions satisfactory and the operations of the fund to be in accordance with existing regulations and within budgeted goals, they shall sign in the certification section of the CG-2985. If conditions are not considered satisfactory, the certification shall not be signed and a letter explaining the unsatisfactory conditions with corrective recommendations will be attached to the financial statements and forwarded to the commanding officer.

4. Reports.

- a. Audit reports shall be presented simultaneously to the commanding officer and fund custodian within 10 days after completion of audit.
- b. Within 10 days after receipt of the audit report, the commanding officer shall notify the fund custodian in writing of action to be taken to correct deficiencies and make improvements as appropriate.
- c. The fund custodian shall submit a follow-up report within 30 days.
- d. Chief, Personnel Branch (ap) shall keep Commandant (G-PXM) advised of any major irregularities.

5. Audit Guide. An audit guide is included in enclosure (9).

**Chapter 9. DISTRIBUTION OF COAST GUARD EXCHANGE SYSTEM (CGES)
FUNDS TO MWR**

- A. **Purpose.** The CGES profit distribution method is intended to provide fair and equitable MWR funds to all Coast Guard districts, MLC's, and Headquarters units so they can provide reasonable MWR activities at all units under their cognizance.
- B. **CGES Remittances.** Detailed instructions on submission of remittances by CGES activities are included in Comptroller Manual Vol. VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series)) enclosure (19). The following is an overview of this process:
1. All CGX's activities retain 25 percent of net profit for working capital. They also remit a percentage of gross sales to fund CGES overhead expenses. Subtracting these two transactions from net profit leaves the available profit (AP).
 2. Available Profit (AP) shall be distributed as follows:
 - a. District and MLC units with exchanges:
 - (1) 20 percent of AP to unit MWR;
 - (2) 25 percent of AP to District/MLC MWR to be redistributed to units;
 - (3) 30 percent of AP to COMDT (G-PXM); and
 - (4) 25 percent of AP to COMDT Construction Fund.
 - b. Headquarters units with CGES activities:
 - (1) 75 percent of AP to unit MWR; and
 - (2) 25 percent of AP to COMDT Construction Fund.
 - c. Exceptions to remittance requirements:
 - (1) CG Activities Europe - exempt from all remittance; and
 - (2) Ships - exempt from all remittances except CGC POLAR SEA and CGC POLAR STAR. CGC POLAR SEA AND CGC POLAR STAR shall remit a percentage, (percentage to be determined annually by G-PXM), to the Coast Guard Trust Fund for CGES overhead expenses.

C. Redistribution of Available Profit.

1. Commandant (G-PXM) shall redistribute the 30 percent of all AP received from CGES operations back to those districts, MLC's, and Headquarters units which require additional funding to ensure a Coast Guardwide equitable distribution. Funds will be distributed to district, MLC, and Headquarters units based on the military billets in their direct chain of command. Districts, MLC's, and Headquarters units with collocated units and geographical considerations may make alternate arrangements of funding responsibilities (i.e., if an MLC floating unit is collocated at a Headquarters unit, it may be advantageous to shift MWR funding responsibility to the Headquarters unit). Such alternate arrangements may be accomplished directly at the District/MLC/HQ unit level or coordinated through Commandant (G-PXM).
2. Headquarters units with CGES activities retaining 75 percent of available profit should not expect to participate in this distribution scheme. Headquarters units with CGES activities not meeting the expected profit margin on their CGES activities must request MWR relief on a case by case basis.

Chapter 10. PROCUREMENT, RESALE, AND DISPOSAL

A. Procurement.

1. General.

- a. Items of equipment and supply for MWR activities can be procured/obtained through one of three sources: Appropriated funds, Non-appropriated (Morale) Funds, and Excess Personal Property Listings.
- b. Most items are chargeable to appropriated funds (OG-30), however, subject to limitations outlined in 6.G., Non-appropriated (Morale) Funds may be used when appropriated funds are not available.
- c. All resale merchandise must be purchased with non-appropriated funds.
- d. Whatever the source of funds, MWR activities should take advantage of trade-in value of material to be replaced, if appropriate.

2. Procurement with Appropriated Funds.

- a. The procurement of equipment and supplies with appropriated MWR funds will be in accordance with the Federal Acquisition Regulation, DOT Acquisition Regulation and Coast Guard Acquisition Procedures.
- b. Normally, the MWR officer will submit a Procurement Request (Form DOT F4200.1.2) to the unit supply officer via the fund administrator. The MWR officer should complete the statement of essential need (SEN), provide a possible source of procurement, and an estimated cost.
- c. MWR equipment (consumable's and permanent property) purchased with appropriated funds shall be accounted for as Coast Guard property until disposed of in accordance with Comptroller Manual, Volume III, (COMDTINST M4400.13 (series)).

3. Procurement with Non-Appropriated Funds.

- a. The procurement of equipment, supplies, or services with non-appropriated funds shall be in accordance with Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series)), enclosure (28). Non-appropriated fund procurement's are subject to the same close scrutiny which is directed at all Government purchases. Sound business practice requires they be made in the public interest and exhibit a high degree of professionalism.
- b. Unless prescribed by local procedures, MWR, Non-appropriated purchases are exempt from the following procedures:
 - (1) Mandatory source of supply;

- 10-A-3. b. (2) use of mandatory Federal supply schedules;
- (3) mandatory use of appropriated fund purchase documents; and
- (4) restrictions dealing with the procurement of personal services.
- c. Non-appropriated fund activities at overseas locations are authorized to purchase foreign goods and services as outlined in current directives. Every effort should be made to see that obligations in excess and near-excess currency countries are made payable in the currencies of those countries rather than U. S. dollars.
- d. Equipment and supplies purchased with morale/non-appropriated funds will be retained as the property of that morale fund as prescribed in 8.E..
- e. Personal property approved for use for MWR purposes is not subject to inclusion on allowance lists. Such property is not subject to technical notices concerning maintenance or modification and is not included in equipment population reports. However, this is not intended to relieve commanding officers or officers in charge of the responsibility of effectively controlling the use of such equipment or the need for obtaining necessary approval for structural alterations or authorization for such activities as amateur radio stations.
4. Excess Personal Property Listings.
- a. Excess personal property appearing on excess listings of DoD and GSA activities may be requested and obtained by MWR activities. Excess personal property is obtained in the same manner as if it were requisitioned from the Government stock system. The requisition request is processed by the local supply officer. If material is not available locally, funds to cover transportation will have to be obligated.

B. Resale Operations.

1. Policy.

- a. The Coast Guard exchange system is the primary source of resale merchandise in the Coast Guard. MWR will not engage in the sale of merchandise except that which is directly related to the purpose and function of a particular activity and if the particular resale requirement cannot be met in a responsive manner by the Coast Guard exchange system.
- b. Resale functions authorized for operation by MWR are:
- (1) Vending machines at units without a CGES activity;
- (2) vending machines at units with satellite exchanges; and
- (3) hobby shop resale activities.

10-B-1. c. When resale functions are conducted by MWR, the following provisions apply:

- (1) No type of merchandise may be sold in the continental United States that is not an authorized item for Coast Guard exchanges as listed in Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series));
- (2) prices of comparable merchandise should be in line with Coast Guard exchange prices; and
- (3) all sales shall be on a cash and carry basis.

d. Except for vending machines, resale operations will not be operated by MWR on afloat units.

2. Report of Existence of Hazardous Resale Merchandise.

a. MWR activities which have knowledge of, or which have received notification from an official source (Food and Drug Administration, Department of Agriculture, vendor, manufacturer, or other reliable source), of the existence or suspected existence of hazardous resale merchandise in MWR activities will immediately communicate this fact to the Commandant (G-P). The following information should be provided:

- (1) Activity reporting;
- (2) nomenclature of resale merchandise items suspected to be hazardous;
- (3) source of information and/or basis of determination that product is considered hazardous or contaminated;
- (4) item description;
- (5) contractor/manufacturer (include plant address if known);
- (6) lot number (from case or unit) (can codes if available) and/or shipment number;
- (7) vendor name;
- (8) date of shipment and date of receipt;
- (9) quantity on hand; and
- (10) description of suspected hazardous or contaminated condition.

b. Upon receipt of notification of the existence or suspected existence of hazardous resale merchandise, Commandant (G-P) will issue appropriate instructions to MWR activities. In those cases where Commandant (G-P) determines that a potential danger exists to other military consumers and commands, appropriate correspondence will be initiated to relay the essential information.

10-B-3. Resale Purchases.

- a. When resale sales are authorized, an inventory of supplies, consistent with the forecast demand, may be carried in stock at the authorized MWR sales outlets for resale at a reasonable mark-up to authorized participants. This inventory shall be restricted to articles associated with MWR activities. Coordination with the exchange, when present, is required.
- b. Resale merchandise may be purchased from the local market, NAFA, or NAVRESSO Price Agreement Bulletins. Procurement from commercial sources may be made without soliciting competitive proposals. However, every effort should be made to procure items at the least cost. Patrons shall be required to place a deposit of at least one-third of the retail price for specially ordered merchandise.
- c. Resale items of supply and materials for use in connection with a hobby craft activity outside the United States are not subject to balance of payments restrictions.

4. Coin-Operated Vending Machines.

- a. At shore units with exchanges, vending machines will be operated as outlined in Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series)).
- b. At shore units with satellite exchanges, vending machines will be operated as outlined in Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series)), except those operated for civilian recreation organizations.
- c. At shore units without a NAF activity or satellite exchange, but with an established morale fund, vending machines will normally be operated by private concessionaires; however, they may also be owned by the unit morale fund and operated as a morale fund activity.
- d. If the cognizant authority determines not to establish a morale fund at a unit and the unit has no NAF activities or satellite exchange, vending machines may be operated through the morale fund established at a unit in close geographical proximity. Prior to approval by the cognizant authority, agreement is to be reached on profit utilization. This method will provide for services, account for funds, generate revenue for morale fund use, and reduce the amount of paperwork.
- e. Regardless of whether operated as a NAFA or MWR activity, the requirements set forth in Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series)) regarding design, construction, installation, sanitation, operation, etc., will be met.
- f. Vending machines on afloat units may be operated as an MWR activity or as a CGES activity at the discretion of the commanding officer.

10-B-5. Coin-Operated Recreation Devices or Equipment.

Coin-operated recreation devices or equipment, such as pool tables, shuffle boards, video games, etc., that are basically recreational and are located at a MWR activity shall be operated by MWR and the proceeds deposited in the unit's morale fund. However, it is important that the commanding officer consider possible complications before authorizing more than one activity to operate or contract for vending machines. Price competition, concessionaire supervision and control, and customer confusion can cause difficulty. Operation of this type equipment must be in strict conformance with enclosure (37) to the Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series)).

C. Disposal.

Excess and unserviceable MWR property whether purchased with appropriated or non-appropriated funds, will be disposed of in accordance with Comptroller Manual, Supply/Property and Transportation, Volume III (COMDTINST M4400.13 (series)).

D. MWR Vehicles.

1. Definitions.

- a. MWR Vehicle. A vehicle purchased with morale funds or obtained from surplus sources with all maintenance and operating costs funded with morale funds. No appropriated funds may be expended in the acquisition and maintenance of MWR passenger motor vehicles.
- b. Official MWR Business. Travel and transportation for authorized MWR purposes.
- c. Trailer. A vehicle suitable for use in conjunction with automobiles. Included are trailers for camping, boats, utility, etc.
- d. Special Purpose Vehicles. Are vehicles used in MWR which have been modified for specific uses that would prohibit them from being utilized for any other purpose. Examples are snowmobiles, go-carts, etc.
- e. Recreational Motorboats. Motorboats are not included in the definition of MWR vehicles; however, those meeting the criteria requirements for registration as contained in Federal and/or State boating statutes are insured as a motor vehicle as described in chapter 12.

10-D-2. Policy.

- a. The use of Coast Guard or GSA-owned vehicles for official MWR business is permitted if it can be made available without detriment to operational requirements and when approved by the commanding officer.
- b. Prestige vehicles will not be procured or financed by morale funds.
- c. A complete and up-to-date inventory of all MWR vehicles will be maintained by the unit.
- d. Vehicles shall be procured with due consideration to vehicle age, economy of operation (mpg), and maintainability.

3. Administration, Operation, and Maintenance.

- a. The administration and operation of all MWR vehicles is a command function and should normally be under the direct supervision of the MWR Officer.
- b. Operators of all automotive vehicles defined in this manual will have in their possession a current State Operator's License.
- c. Although non-appropriated fund vehicles are not subject to State inspection requirements, they shall be subject to the same inspection requirements as other Coast Guard vehicles with regard to frequency of inspection, safety requirements, and mechanical soundness. See Chapter 9 of the Coast Guard Motor Vehicle Manual, (COMDTINST M11240.9 (series)).
- d. MWR vehicles can normally be serviced in Coast Guard facilities. Depending on the service performed and work hours spent, reimbursement for services may be required.

4. Records and Reports.

All activities will establish and maintain records and reports for MWR vehicles as required for all other Coast Guard vehicles.

5. Registration and Licensing.

- a. MWR functions are exempt from the payment of State and local registration and license fees on vehicles, including trailers, operated beyond the limit of the Government reservation. However, the following regulations shall be observed:
 - (1) MWR vehicles and trailers shall be assigned USCG registration numbers (MWR license plates).|

- 10-D-5 a. (2) Requests for USCG registration numbers (MWR license plates) for each vehicle and/or trailer shall be submitted by rapidraft letter, which must include the following: make, model and serial number for each vehicle and/or trailer, to Commandnat (G-PXM-3).
- b. The transfer of USCG registration numbers (MWR license plates) from one vehicle to another vehicle or trailer to trailer is prohibited.
- c. When disposing of vehicles, Commandant (G-PXM-3) must be notified by letter, specifying date of disposal and type of disposition made (trade, survey, etc.). The license plates must be returned to Commandant (G-PXM-3) as an enclosure.
- d. Whenever a vehicle or trailer is disposed of, all vehicle identification will be removed or obliterated.

6. Insurance.

MWR vehicle insurance coverages, including trailers, are described in chapter 12.

U.S. Department
of Transportation

**United States
Coast Guard**

2100 Second St., S.W.
Washington, D.C. 20593

Official Business
Penalty for Private Use \$300

Postage and Fees Paid
United States
Coast Guard
DOT 514



Chapter 11. FACILITY ACQUISITION AND MAINTENANCE

A. General.

1. All construction in the Coast Guard is under the technical direction of Commandant (G-E).
2. Construction of MWR facilities should be financed from appropriated funds as AC&I projects in accordance with the Planning and Programming Manual (COMDTINST M16010.1 (series)).
3. Non-appropriated funds may be used for construction and improvements of MWR facilities when appropriated funds are not available.
4. Shore facility planning is described in detail in the Shore Facilities Planning Manual (COMDTINST M11010.6 (series)).

B. Construction.

Districts, MLC's and HQ units shall ensure that proper attention is given to MWR facilities when preparing Master Plans. Original construction modification or major rehabilitation of MWR facilities are to be included in the annual construction program requests submitted by commanding officers. These projects must be reasonable solutions to an existing deficiency and be in accordance with existing criteria regarding type and size of facility. Collateral equipment for new construction should be provided from appropriated funds.

C. Maintenance.

Appropriated funds provide for the maintenance of buildings in accordance with regularly scheduled maintenance work. Appropriated funds shall be used for the purchase of janitorial services and supplies, utilities, fire and security protection, pest control, trash and garbage removal, and sewage disposal. Appropriated funds should also be used for medical, security, and safety inspections. Use of military and civilian labor for the maintenance of MWR buildings and grounds is authorized.

D. Funding Projects with Non-Appropriated Funds.

1. Projects for new construction, alterations, repairs, or improvement which are to be financed from non-appropriated funds shall be accomplished in accordance with Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series)), enclosure (28).
2. For policy and procedures pertinent to the awarding of contracts using non-appropriated funds, see Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual (COMDTINST M7010.5 (series)).

11-E Self-Help Program.

1. Self-help programs are ideal ways to accomplish MWR projects that otherwise might not be done. Commanding officers are responsible for determining requirements, establishing priorities and the provisions of resources for accomplishing projects under the self-help program.
2. Materials used in the self-help program may be funded by appropriated or non-appropriated funds or a combination of these sources. To pay military personnel or DOT civilians for their professional expertise and labor during off-duty hours is contrary to this self-help policy and is prohibited.

Chapter 12. INSURANCE AND SAFETY PROGRAM

A. Insurance Program.

1. A consolidated insurance program for all Coast Guard non-appropriated funds and MWR activities was placed in effect 1 January 1978. This eliminates the need for individual units to obtain separate policies. It will relieve units of the awkward responsibility for negotiating their own policies; will ensure that all facilities and employees are protected with adequate coverage; and will minimize Servicewide insurance costs. The Coast Guard Trust Fund pays all premiums.
2. Cognizant authorities and commanding officers are expected to continue all protective measures designed to keep insurance claims to a minimum by establishing inspections of facilities, proper maintenance of facilities to eliminate potential hazards, sanitary inspections, auditing, and safeguarding of funds and other precautions deemed necessary. The safety standards, program procedures, and accident reporting procedures established by the Commandant in the Coast Guard Safety and Occupational Health Manual (COMDTINST M5100.29 (series)) and in Commandant Instructions or Notices, are applicable to MWR activities, facilities, and equipment.
3. A brief description of the coverage provided under the consolidated insurance program follows:
 - a. Money and Securities - Coverage is provided for all loss of money and securities caused by destruction, disappearance, or theft, occurrence on the premises or while being conveyed by a messenger. Coverage is provided under the self-insurance program. A \$5,000 deductible applies to each occurrence.
 - b. Comprehensive Public Liability Insurance Including Motor Vehicle Liability - This insurance covers liability whether imposed by law or assumed under contract for personal injuries, other than to employees, and from damage to property of others, including liability resulting from the operations of boats under 26 feet in length which includes sailboats, canoes, rowboats, inboard and outboard. This policy also provides coverage for camper trailers, boat trailers and U-Haul type trailers owned or leased.
 - c. Automobile Comprehensive Fire and Theft and \$1,000 Deductible Collision - This coverage is provided under the self-insurance program and is applicable to all owned automobiles, leased or hired vehicles, campers and water craft. The policy does not provide coverage for vehicles valued in excess of \$10,000.

12-A-3. d. Workman's Compensation - Employees paid by non-appropriated funds are covered as follows:

- (1) Public Law 85-538 requires that the benefits of the United States Longshoreman's and Harbor Worker's Compensation Act apply to all employees in the United States, and all United States citizens and permanent residents of the United States or a territory employed outside the United States. In addition, the coverage has been extended to include the payment for abnormal costs for the repatriation of employees suffering compensable injury or death in a foreign country subject to limit of \$10,000 per employee; and
- (2) all other employees hired outside the United States will be covered in accordance with the laws of the country where they are employed, provided coverage by a private insurance company is permitted.

4. Items not covered by the consolidated insurance program:

- a. Property. Including buildings, improvements and betterments owned by or in which non-appropriated MWR activities are responsible or have a financial interest are not covered.
- b. Fidelity. Including loss of money securities, or property caused by dishonest or fraudulent acts of employees is not covered. Units will normally bear the loss involved but in unusual circumstances may request relief through the chain of command.

5. Each unit is responsible for the deductible amount. Units are not authorized to obtain separate insurance coverage to offset the deductible amount.

6. Procedures for submitting claims and annual reports are contained in Comptroller Manual, Volume VII, Non-appropriated Fund Activities Manual, (COMDTINST M7010.5 (series)), enclosure (21).

7. Due to the technical nature of most insurance contracts, all inquiries/questions relative to the consolidated insurance program should be directed to the Commandant (G-PXM).

12-B Safety Program.

1. Safety is the primary concern of every MWR program. The objectives of the MWR safety program are to:
 - a. Provide a safe place to work for our employees.
 - b. Provide a safe place of entertainment and recreation for our patrons.
 - c. Reduce the loss exposure of MWR fund assets.
2. All MWR officers shall become familiar with the Coast Guard safety program in the Coast Guard Safety and Occupational Health Manual, (COMDTINST M5100.29 (series)).
3. A safety inspection of all unit MWR facilities will be conducted at least quarterly by the unit or district MWR officer. The MWR activity safety inspection check off list (enclosure (10)) will be used. A file of inspection sheets, gig letters, and correction status reports will be maintained by each district and unit MWR officer.

VARIOUS TYPES OF CGES AND MWR ACTIVITIES

CGES Activities.

Resale Activities

- Main Store
- Annex Store
- Convenience Stores
- Auto Parts Stores
- Food Stores
- Gasoline Stations
- Package Liquor Stores
- Satellite Stores
- Pro Shops
- (such as Golf and Bowling)

Service Activities

- Barber/Beauty Shops
- Auto Repair, Garage, Car Wash
- Guest Housing
- Laundry & Dry Cleaners
- Repair Shops
- Tailor
- Florist
- Optician
- Vending Operations - See Chapter 10

Bar and Food Services

- Officers Clubs
- CPO Clubs
- Enlisted Clubs
- SPO Clubs
- Consolidated Clubs
- Cafeterias
- Snack Bars
- Yogurt Shops and Juice Bars

MWR Activities.

Resale Activities

- Craft Supplies at
- Various Craft Shops
- Vending Operations - See Chapter 10

Organized Sports

- Bowling Alleys
- Golf Courses
- Swimming Pools
- Gymnasiums
- Baseball
- Football
- Wrestling
- Other sports

General Recreation

- Theater
- Craft and Hobby Shops
- (Woodworking, Ceramics,
- Auto Hobby)
- Boating and Sailing
- Teen Clubs
- Game Rooms
- Camping, Hunting and Fishing
- Informal Sports
- Gear Locker
- Camper Rental
- Ticket Programs
- Child Development Centers
- Special Interest
- Dependent Activities

Other Recreation

- Dances, Parties and Shows
- Libraries
- Recreational Cottages
- Magazines, Newspapers

A. Administration and Oversight of Private Associations.

1. Private associations are an essential part of the military community. The larger the Coast Guard unit the greater will be the number of private associations. CO's have the responsibility of approving organizations or associations to be located within their command as well as providing the requisite supervision over them.
2. CO's are authorized to permit the membership of private associations to conduct the associations' affairs and activities within areas under their command responsibility provided that:
 - a. The purpose of the association and its functions be specified in a constitution or an equivalent document such as articles of agreement, charter, bylaws, etc..
 - b. It be stated in the constitution or equivalent document that the association:
 - (1) Is not an integral part of the Coast Guard;
 - (2) does not perform an essential function in the operation of the Coast Guard;
 - (3) is not established under the authority of the Coast Guard as a NAF of the United States; and
 - (4) is established not to carry out any policies of the United States, but to satisfy the independent social, welfare, and recreational interests of the association's members and guests.
 - c. The association notifies the CO in writing that:
 - (1) The association has responsibility for making and keeping the area and facilities made available to it by the CO safe for its members, guests, and the public;
 - (2) all repairs and improvements peculiar to use of the facility by the association will be made by the association at the expense of the association under the technical direction of the public works officer or equivalent;
 - (3) the CO can at any time inquire into the association's activities, and can withdraw from the association the permission granted to it to conduct its activities within the command;
 - (4) the association will immediately rectify any deficiencies brought to its attention by the CO;

- A. 2. c. (5) no officer or member of the association will use his or her official Coast Guard position to further the interests of the association; and
- (6) the Association secures general liability insurance as appropriate. Private associations are not considered to be instrumentalities of the government for purposes of the Federal Tort Act and, consequently, the government is not liable for the association's activities. Insurance coverage for the conduct of routine business meetings, however, while encouraged, is generally not critical as the risk and extent of liability is small. On the other hand, if the association sponsors an event or activity, it must determine on a case by case basis, the need for general liability coverage. Of particular concern would be any circumstances or events which involve:
- (a) Guests or the public.
 - (b) Increased risk of injury (i.e., athletic events, fireworks, etc.)
 - (c) Consumption of alcoholic beverages.

In general, private associations should be very careful in determining the type of events sponsored, where they are held, eligible participants, and how much liability is assumed in organizing an event.

- d. The association's pursuits and operations are not adverse to any of the policies and directives promulgated by the DOT or the Coast Guard.
- e. The activities of the association and the actions, behavior and conduct of its members and guests do not embarrass the DOT or the Coast Guard.
- f. The association does not engage in any activity which competes with Coast Guard non-appropriated fund activities.
- g. The constitution or equivalent document specifically provides for the proper disposition of residual assets and liabilities upon dissolution.
- h. The association is self-sustaining.
- i. The association does not discriminate because of age, sex, race, color, religion, national origin, or physical handicap.

**GUIDE FOR CONDUCTING INSPECTIONS AND
REVIEWS OF MWR PROGRAMS AND PROCEDURES**

1. The attached inspection guide is intended as an aid for cognizant authorities in performing inspections on subordinate commands. It may also be used by the commanding officer in annual reviews to determine the overall effectiveness of the program.
2. Inspectors should review the administration of funds, including safeguards for protection of funds, sound business practices and internal controls, and the propriety of fund use in keeping with the intended purposes set forth in this Manual. In addition, evaluation should be made of the adequacy of facilities available, staffing, and activities being offered. Inspection should be conducted with the intended result of ensuring maximum overall benefit to the population being served from funds available. The attitude of inspectors should be helpful and their aim should be to assist the local commanding officer and his/her MWR officer in the proper administration of MWR funds. All inspectors should submit their findings to the senior inspector for promulgation of the inspection report.
3. This guide is not all-inclusive. Its purpose is to suggest certain areas for inquiry. Detailed examination is encouraged, when warranted. Particular attention should be given to the use of funds and the adherence to prescribed procedures for internal audits. The enclosed check list is for the inspector to open up areas for further study and analysis.

Enclosure: (3) to COMDTINST M1710.13

INSPECTION GUIDE

Unit: _____ Commanding Officer: _____

Date Of Inspection: _____ Date Of Previous Inspection: _____

MWR Officer: _____

Date Assigned In Writing: _____ Grade Or Rate: _____

Custodian Of The Morale Fund: _____

Date Assigned In Writing: _____ Grade Or Rate: _____

Officer Personnel Allowed: _____ On Board: _____

Enlisted Personnel Allowed: _____ On Board: _____

MWR Employees:

Civilian Full-Time Assigned:

Appropriated: _____ Non-appropriated: _____

Civilian Part-Time Assigned:

Appropriated: _____ Non-appropriated: _____

Military Collateral Duty Assigned:

Temporary: _____ Permanent: _____

Personnel Served:

Officer: _____ Enlisted: _____

Dependents: _____ Retired Personnel Living In Area: _____

Reservists: _____ Collocated Unit Personnel: _____

Other: _____

ADMINISTRATIVE CHECK LIST

	YES	NO
1. Is a current copy of the MWR Manual readily available?	___	___
2. Is a copy of the Comptroller Manual, Volume VII, Non-Appropriated Fund Activities Manual (COMDTINST M7010.5 (series)) readily available?	___	___
3. When applicable has the commanding officer detailed in writing or prepared letters of appointment and designation for the MWR officer/custodian, morale committee and audit board. Are documents available which authorize expenditures that were in addition to the approved budget?	___	___
4. Is the prescribed procedure followed when the custodian of the morale fund is relieved?	___	___
5. Are audits of morale funds conducted as required by Chapter 8 of the MWR Manual?	___	___
6. Does the commanding officer conduct annual reviews of the MWR operation to ensure the maintenance of an effective and viable MWR program?	___	___
7. Is an annual budget developed and which reflects anticipated receipts from local CGES, Commandant (G-PXM), District, MLC, and user fees/charges as appropriate?	___	___
8. Does the MWR officer conduct periodic management analysis of projected expenses/income with actual expenses/income?	___	___
9. Are MWR property inventories conducted as required and are inventories reconciled with the property records?	___	___
10. Are MWR funds being expended with proper authorization?	___	___
11. Have all prohibitions on the use of MWR funds been strictly observed?	___	___
12. Has the MWR officer developed a program which addresses the special needs of minority groups?	___	___
13. Are morale funds deposited only in authorized depositories and have depositories been notified that the Commandant (G-P) is successor in interest to the morale fund?	___	___
14. Is all correspondence concerning the morale fund handled as official correspondence?	___	___
15. Are all military and civilian operators of MWR vehicles properly licensed?	___	___

Enclosure: (3) to COMDTINST M1710.13

ADMINISTRATIVE CHECK LIST (CON'T)

	YES	NO
16. Are claims under the insurance program being submitted properly?	___	___
17. Are Federal Income Taxes deducted from the wages paid to military personnel employed intermittent in MWR?	___	___
18. Are Federal Income and Social Security Taxes withheld from wages paid to civilian employees?	___	___
19. Are the personnel administration practices for non-appropriated fund employees in compliance with COMDTINST M7010.5 (series) (enclosure (53))?	___	___
20. Is there documentation of efforts made to obtain maximum appropriated fund support for the MWR Program?	___	___
21. Are MWR resale items purchased only with non-appropriated funds?	___	___
22. Are payments to sports officials, musicians, and other personnel under contract reported to the Internal Revenue Service?	___	___
23. Is there a written and approved document which establishes the amount of fees and charges, if assessed?	___	___
24. Are MWR facilities generally adequate, well maintained, and lighted?	___	___
25. Is the MWR officer a member of the planning board and does he/she participate in the development/revision of the Unit Development Plan?	___	___
26. Is MWR property including office furniture maintained in useable condition and surveyed as required?	___	___
27. Are appropriated funds budgeted for maintenance of MWR facilities?	___	___
28. Is the supply of MWR equipment adequate, in good condition and readily available?	___	___
29. Are prescribed procurement procedures being followed?	___	___
30. Are regulations on disposal of excess and unserviceable MWR property complied with?	___	___
31. Are property account records maintained in accordance with regulations?	___	___
32. Are excess listings utilized for procurement of equipment?	___	___
33. Have all MWR vehicles, including trailers, been licensed?	___	___

SAMPLE MORALE COMMITTEE REPORT FORMAT

(Date)

From: Chairman, Morale Committee

To: Commanding Officer,

Via: MWR Officer

Subj: REPORT OF MORALE COMMITTEE MEETING

Ref: (a) Morale, Welfare, and Recreation Manual; COMDTINST M1710.13

1. The Morale Committee met at (time) on (date) and the following members were present and voted:

I. M. SORRY, ENS, USCG, Chairman
A. B. SEA, BMCS, USCG
C. D. ECHO, YN1, USCG
F. GOLF, SN, USCG

2. The MWR Officer was present and reported the following funds available for MWR programs:

\$ _____

3. The following recommendations concerning MWR matters are submitted for consideration:

	<u>Recommendation</u>	<u>Number Voting For/Against</u>	<u>Remarks</u>
1.			
2.			
3.			

(Chairman)

Encl: (1) Minority report(s)(if desired)
(2) Minutes of Morale Committee meeting

BLANK FORMS

- A. Enclosure (5) consists of blank forms as follows:
 - 1. Morale Fund Financial Statement (CG-2985)
 - 2. Operating Summary MWR Activities (CG-2985A)
 - 3. Morale Fund Loan Accounting Sheet (CG-4518)
 - 4. Morale Fund Inventory Accounting Sheet (CG-5017)
 - 5. Morale Fund Transaction Accounting Sheet (CG-4517)
- B. Reproduction of forms at the local level is authorized.

DEPARTMENT OF TRANSPORTATION U.S. COAST GUARD CG-2985 (REV 2-89) REPORTING UNIT		MORALE FUND FINANCIAL STATEMENT		TYPE REPORT REGULAR RELIEF CORRECTED FINAL CLOSING DATE	
DISTRICT		PERIOD COVERED		END OF PERIOD	
ITEM	NET WORTH	ITEM	ASSETS AND LIABILITIES	AMOUNT	
1	Net Worth Brought Forward (Item 9 previous report)	10	Checking Account Balance		
2	CGES Funding	11	Cash Account		
3	Net Profit MWR Activities	12	Savings Account and Reserves		
4	Other Receipts	13	Loans Receivable		
5	Total Income For Period (Items 2 thru 4)	14	Resale Inventory		
6	Morale Expenditures	15	Total Assets (items 10 thru 14)		
7	Losses and Transfers	16	* Accounts Payable/Other Liabilities		
8	Total Expenditures (Item 6 plus 7)	17	Net Worth End of Period (item 15 less 16)		
9	Net Worth (Item 1 plus 5 less 8)	18	LOAN ACCOUNT SUMMARY		
CERTIFICATIONS The accounts and records of the Morale Fund represented by this Financial Statement have been audited. The financial condition of the Morale Fund was found to be satisfactory and is accurately presented in this Financial Statement. The fiscal affairs of the Morale Fund were conducted in accordance with regulations and instructions. Exceptions if any, are noted in the attached report. DATE CERTIFIED: AUDITOR DATE SUBMITTED: MORALE FUND CUSTODIAN DATE APPROVED: COMMANDING OFFICER As of this date, I have relieved as Morale Fund Custodian. This financial statement and the supporting records accurately represent the condition of the Morale Fund. Exceptions, if any, are noted in the attached report. DATE RELIEVING CUSTODIAN * Itemize on the reserve. If further space is required, use an additional sheet of paper.		19	Loans receivable brought forward (item 24 previous report)		
		20	Loans made this period		
		21	Loans to be accounted for (item 18 plus 19)		
		22	Loan repayments received this period		
		23	Loans canceled as bad debts (include in item 7)		
		24	TOTAL OF ITEMS 21 AND 22		
		25	Loans receivable end of period (item 20 less 23)		
		26	RECONCILIATION OF CHECKING ACCOUNT		
		27	Bank balance by latest statement dated:		
		28	Deposits entered in checkbook, not on above statement		
29	TOTAL OF ITEMS 25 AND 26				
30	Outstanding checks (drawn but not shown on bank statement)				
31	Check book balance end of period (item 27 less 28)				

DEPARTMENT OF TRANSPORTATION U.S. COAST GUARD CG-2985A (2-89)		OPERATING SUMMARY MWR ACTIVITIES							QUARTER ENDING	TYPE REPORT	
		ACTIVITY								CORRECTED	RELIEF FINAL
ITEM											TOTALS
A-1	SALES										
A-2	BEG INV (ITEM A5 PREVIOUS RPT)										
A-3	PURCHASES										
A-4	INVENTORY LOSS										
A-5	ENDING INVENTORY										
A-6	COST OF GOODS (A2+A3-A4-A5)										
A-7	GROSS PROFIT/LOSS (A1 - A6)										
	OPERATING EXPENSES										
A-8	SALARIES										
A-9	EQUIPMENT/ FURNITURE										
A-10	SUPPLIES										
A-11	OTHER										
A-12	TOTAL EXPENSE (A8 THRU A11)										
A-13	NET PROFIT MWR ACTIVITY (A7 - A12)										
A-14	ACCOUNTS PAYABLE										

NAME _____

MORALE FUND LOAN ACCOUNTING SHEET

Enclosure (5) to COMDTINST M1710.13

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DETAILED INSTRUCTIONS FOR PREPARATION OF THE QUARTERLY MORALE FUND REPORT

1. General.

- a. The Quarterly Morale Fund Report shall be prepared and submitted in accordance with the instructions contained in chapter 8 of this manual. It consists of two forms:

- (1) The Morale Fund Financial Statement (CG-2985); and
- (2) the Operating Summary (CG-2985A).

These are the only two forms required to be forwarded to the cognizant authority when submitting your report.

- b. Three other forms are required to be maintained on a day-to-day basis as MWR transactions occur. The information entered on these forms will be required to complete your quarterly report and should be maintained in a file and made available for review by auditors and inspectors. They are:

- (1) Morale Fund Transaction Accounting Sheet (CG-4517).
- (2) Morale Fund Loan Accounting Sheet (CG-4518).
- (3) Morale Fund Inventory Accounting Sheet (CG-5017).

- c. Blank copies of all forms are included as enclosure (5). Local reproduction is authorized.

Enclosure: (6) to COMDTINST M1710.13

2. Morale Fund Inventory Accounting Sheet (CG-5017).

- a. Refer to the example entries in exhibit (6A).
- b. This form serves two purposes:
 - (1) Maintain a running balance of the inventory for reorder purposes; and
 - (2) verify accuracy of physical inventory at the end of the quarter.
- c. A new CG-5017 should be started at the beginning of each quarter.
- d. For routine transactions including purchases, issues, or losses of inventory refer to the examples in the exhibit (6A). Enter:
 - (1) The date of the transaction;
 - (2) description;
 - (3) the appropriate quantities and values; and
 - (4) the quantity remaining as balance.
- e. To value your inventory at the end of the quarter make the last two entries as shown on the example form. It is appropriate to value the entire inventory at the last purchase price, including the inventory already in machines.
- f. A separate CG-5017 should be maintained for each individual inventory item. Units with large MWR activities and inventory may devise their own internal inventory record keeping system. Such system must, as a minimum include the line items on the CG-5017. Inventory listings should be attached to the CG-5017 and maintained as supporting documentation. It would be inappropriate to maintain one CG-5017 for a wide variety of sodas with different prices. This would cause large fluctuations in the value of your inventory.
- g. Inventory information shall be entered as appropriate on line (A-5) CG-2985A.
- h. Units with automated systems providing inventory records and printouts which properly support the figures on the operating statement are not required to use the CG-5017.

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3. Morale Fund Loan Accounting Sheet (CG-4518).

- a. Refer to the examples in exhibit (6B).
- b. This form shall be used to record transactions involving individual morale loans.
- c. Fill in the name, check number, amount, and repayment schedule as shown in the examples.
- d. Record repayments as they occur and tabulate the balance due.
- e. In completing the quarterly report you must determine from the CG-4518's, the loans made during the period, loan repayments received during the period and amount of loans canceled as bad debts. These items will be included on lines 19, 21, and 22 respectively on the CG-2985.

[illegible]

4. The Morale Fund Transaction Accounting Sheet (CG-4517).

- a. Refer to exhibit (6C), (6D) and (6E).
- b. The Morale Fund Transaction Account Sheet is designed to keep track of the day to day transactions of the morale fund and to provide a simple means for determining the appropriate entries when preparing the quarterly report. It may be advantageous to maintain a CG-4517 of each separate activity and another for the administrative operation of the fund.
- c. The CG-4517 requires a date and description for each transaction. The preparer must then fill in the amount of the transaction in the appropriate column which corresponds to items on the CG-2985 and CG-2985A. The column headings preceded by an "A" correspond to items on the 2985A. The other single digit numbers correspond to line items on the CG-2985 (i.e. 2, 4, 6, 7).
- d. Transactions which pertain to an ongoing activity which involves salaries, inventory, collection of receipts and resale (i.e., operation of a bowling alley) will be recorded in the columns preceded by an "A". Other transaction which deal primarily with the administrative operation of the morale fund or major "out of the ordinary" purchases for morale activities will be recorded in columns 2, 4, 6, and 7.
- e. The examples in exhibits (6C) and (6D) should be reviewed in total to ensure the preparer has a good understanding of the distinction discussed above.
- f. The following is a further explanation of several selected transactions:
 - (1) 11/2 and 11/3 entry - both purchases are for vending machine resale. Since it is part of an ongoing resale activity, record under column A-3;
 - (2) 11/7 entry - purchase new vending machine - a large "out of the ordinary" expense not associated with the day to day expenses of the vending machine operation. Record in column 6 as a morale fund expenditure as opposed to a vending machine resale purchase in A-3;
 - (3) 11/6 entry - paid vending machine operator - a normal expense of day to day vending machine operation, record in column A-8;
 - (4) 11/12 entry - purchase bowling gloves for resale (if not operated under CGES) this is a part of day to day operations, record in A-3;
 - (5) 11/13 entry - resurface bowling alleys - large "out of the ordinary" expense, record in column 6;
 - (6) entries 12/8 thru 1/30 are all items either associated with the morale fund administration as opposed to an ongoing activity or they are one-time type transactions; and

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4. f. (7) 1/8 entry - write off of bad loan. Write off of loans are the only loan associated transaction to be recorded on the CG-4517. All other loan transactions are recorded on the Morale Fund Loan Account Sheet (CG-4518) as discussed earlier.
- g. When preparing the quarterly report, the column totals on the CG-4517 must equal the corresponding line items on the CG-2985 and 2985A. It may be advantageous to maintain a separate CG-4517 for each separate activity and another for the administrative operation of the morale fund.
- h. Units with automated systems provide a general ledger and print outs to support monthly transactions are not required to utilize the CG-4517.

DEPARTMENT OF TRANSPORTATION U.S. COAST GUARD CG-4517 (REV 2-89)		MORALE FUND TRANSACTION ACCOUNTING SHEET							NAME OF UNIT			
DATE	DESCRIPTION OF TRANSACTION	CGCS FUNDS 2	OTHER RECEIPTS 4	EXPEND- ITURES 6	LOSSES	SALES A-1	PURCHASES A-3	LOSS A-4	SALARY A-8	EQUIP A-9	SUPPLIES A-10	OTHER EXPENSE A-11
11/1	Vending Mach Recp					200.00						
11/2	purchase soda						300.00					
11/3	purchase candy						230.00					
11/4	vending mach recp					100.00						
11/5	spoiled inventory							30.00				
11/6	paid vending mach operator								20.00			
11/7	purchase vending machine			250.00								
11/8	video machine recp					40.00						
11/9	purchase video machine			150.00								
11/11	bowling alley receipts					605.00						
11/12	purchase gloves (resale)						140.00					
11/13	resurface alleys			2000.00								

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DEPARTMENT OF TRANSPORTATION U.S. COAST GUARD CG-4517 (REV 2-89)		MORALE FUND TRANSACTION ACCOUNTING SHEET								NAME OF UNIT		
		PAGE OF										
DATE	DESCRIPTION OF TRANSACTION	CGES FUNDS 2	OTHER RECEIPTS 4	EXPEND- ITURES 6	LOSSES 7	SALES A-1	PURCHASES A-3	LOSS A-4	SALARY A-8	EQUIP A-9	SUPPLIES A-10	OTHER EXPENSE A-11
11/14	purchase cleaning supplies										45.00	
11/30	paid alloy salaries								400.00			
12/1	receipts ticket sales					250.00						
12/2	purchase tickets (resale)						300.00					
12/4	gearlocker receipts					85.00						
12/7	replace locker items									95.00		
12/8	receive funds CGES	400.00										
12/15	donations CG Day picnic		100.00									
12/24	purchase furniture (crew lounge)			630.00								
1/5	purchase raffle items			150.00								
1/6	proceeds from raffle		200.00									
1/8	write off bad loan				100.00							

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6
Exhibit 6G

5. **Operating Summary, MWR Activities (CG-2985A).**

- a.. Refer to exhibit (6F).
- b. This form is designed to summarize the quarterly operation of ongoing MWR activities. By review of this completed form, the morale officer, commanding officer, or cognizant authority can quickly determine the effectiveness and financial costs of the various activities operating at the unit.
- c. As discussed earlier in the preparation of the CG-4517, major "out of the ordinary" expenses **should not** be included on the 2985A. Sometimes, it will require a judgment call to determine whether an expenditure should be included as an activity expense (A-3) or a general morale fund expense (Item 6; CG-2985).
- d. The preparer must first determine the activities which are "ongoing" MWR activities. A one time purchase of pro-football tickets and distribution on a drawing basis would not be considered an "ongoing" MWR activity, and would be included in Item 6, CG-2985. A ticket operation which maintains a large inventory of tickets for several different functions and requires a part-time employee to maintain the inventory, purchase tickets, and collect for purchases would be an "ongoing activity" and should be included on the operating summary.
- e. Following is a description of each line item on the CG-2985A:
 - (1) A-1 Sales - receipts from sales of products or services. Would include revenue from resale items (i.e., sodas, bowling gloves, tickets, and also revenue from services (i.e., bowling lineage, greens fees, rental of equipment)). Should match with the appropriate columns (A-1) on CG-4517.
 - (2) A-2 Beginning Inventory - carried from previous quarter (Line A-5).
 - (3) A-3 Purchases - pertains strictly to purchase of resale inventory. Other expenditures/expenses are covered in line item A-8 thru A-11.
 - (4) A-4 Inventory Loss - included would be losses for acceptable levels of spoilage or shrinkage. A large loss of inventory should be included in item 7; CG-2985 vice (A-4) and explained in a forwarding cover letter to the cognizant authority.
 - (5) A-5 Ending Inventory - this will be the final (revalued if appropriate) inventory taken at the end of the period. This figure should match those on the respective CG-5017's. The A-5 total (last column) should be the same as item 14, CG-2985.
 - (6) A-6 Cost of Good Sold ((A-2) + (A-3) -(A-4) - (A-5)) - self explanatory.

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5. e. (7) A-7 Gross Profit/Loss ((A-1) - (A-6)) - it is not necessarily bad to have a gross loss for this item since the purpose of MWR is not profit. Large, continued, losses for a particular activity, however, should be reviewed in relation to the activities popularity and effectiveness.
- (8) A-8 thru A-12 - Self Explanatory, involving the overhead expenses of the activity. Salaries should be pro rated where necessary if an employee devotes their time to a wide variety of activities.
- (9) A-13 Net Profit MWR Activity ((A-7) - (A-12)) - the total net profit/loss (last column) must match item 3; CG-2985.
- (10) A-14 Accounts Payable - it is recommended that all payables be paid prior to the end of the quarter. However, any unpaid invoices for which inventory has been received and is carried in the inventory of item A-5, enter the payable here. Items A-14 total (last column) should usually equal item 16 on the CG-2985. (If you have payables other than those associated with the "ongoing activities" then these two items will not equal.)

DEPARTMENT OF TRANSPORTATION U. S. COAST GUARD CG-2985A (2-99)		O P E R A T I N G S U M M A R Y M W R A C T I V I T I E S							QUARTER ENDING		TYPE REPORT		
											REGULAR	RELIEF	FINAL
		ITEM	ACTIVITY	vending machine	video machine	bowling alley	ticket resale	gear locker rental					TOTALS
A-1	SALES	300.00	40.00	605.00	250.00	85.00					1280.00		
A-2	BEG INV (ITEM A5 PREVIOUS RPT)	100.00		40.00	100.00						240.00		
A-3	PURCHASES	530.00		140.00	300.00						970.00		
A-4	INVENTORY LOSS	30.00									30.00		
A-5	ENDING INVENTORY	402.00		80.00	125.00						607.00		
A-6	COST OF GOODS (A2+A3-A4-A5)	198.00		100.00	275.00						573.00		
A-7	GROSS PROFIT/LOSS (A1 - A6)	102.00	40.00	505.00	(25.00)	85.00					707.00		
	OPERATING EXPENSES												
A-8	SALARIES	20.00		400.00							420.00		
A-9	EQUIPMENT/ FURNITURE					95.00					95.00		
A-10	SUPPLIES			45.00							45.00		
A-11	OTHER												
A-12	TOTAL EXPENSE (A8 THRU A11)	20.00		445.00		95.00					560.00		
A-13	NET PROFIT MWR ACTIVITY (A7 - A12)	82.00	40.00	60.00	(25.00)	(10.00)					147.00		
A-14	ACCOUNTS PAYABLE	50.00									50.00		

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6. Morale Fund Financial Statement (CG-2985)

- a. Refer to exhibit (6G).
- b. This form provides a snapshot summary of the financial status of the Morale Fund. It is divided into five areas as follows: Net Worth, Assets and Liabilities, Loan Account Summary, Reconciliation of Checking Account, and Certifications. Many of the figures entered on the CG-2985 are brought directly from the CG-2985A and the CG-4518.
- c. Following is a line by line description of the items on the CG-2985:

(1) **Net Worth.**

- (a) Item 1, Net Worth Brought Forward - same as line 9, previous report.
- (b) Item 2, CGES Funding - this is funding received during the quarter direct from your local NAF activity or funding provided via the cognizant authority (i.e. District, MLC). See column 2, CG-4617.
- (c) Item 3, Net Profit MWR Activities - carried from line A-13 of the CG-2985A. (If a net loss, figures should appear in parenthesis.)
- (d) Item 4, Other Receipts - include such items as donations, receipts from Christmas Party, and ticket sales (if not an "ongoing activity").
- (e) Item 5, Total Income For Period - self explanatory; add items 2, 3, and 4.
- (f) Item 6, Morale Expenditures - all purchases or expenditures not included on the CG-2985A as part of an ongoing activity. These are usually one-time type expenses and also includes major "out of the ordinary" expenses of the ongoing activities. Refer to exhibits (6C) and (6D) for examples of these expenses.
- (g) Item 7, Losses and Transfers - included is a loss of any asset in items 10 thru 14 (i.e., losses of cash, write off of loan, spoilage of resale inventory). Any significant loss should be addressed in the cover letter. Any transfers of funds or inventory to another unit/morale fund should also be included in this item.
- (h) Item 8, Total Expenditures - self explanatory, items 6 and 7.
- (i) Item 9, Net Worth - self explanatory (item 1 plus 5, less 8).

6. c. (2) **Assets and Liabilities.**

- (a) Item 10, Checking Account Balance - brought up from line 29.
- (b) Item 11, Cash Account - if applicable, the morale officer or auditor must make a physical count of the cash in the cash account.
- (c) Item 12, Savings Accounts and Reserves, if applicable, the morale officer or auditor must verify this amount with current bank statements.
- (d) Item 13, Loans Receivable - carried up from line 24.
- (e) Item 14, Resale Inventory - carry forward the figure from line A-5, CG-2985A. (If you have inventory other than that which is part of an "on going" activity, it must also be added into this line item.)
- (f) Item 15, Total Assets - self explanatory; add items 10 thru 14.
- (g) Item 16, Accounts Payable and Other Liabilities - every effort should be made to pay invoices prior to the end of the period. Carry forward the amount from line A-14, CG-2985A, and add any other payables, which were not part of the "on going" activities.
- (h) Item 17, Net Worth - self explanatory (item 15 less 16).

(3) **Loan Account Summary.**

- (a) Item 18, Loans Receivable Brought Forward - line 24 of the previous report.
- (b) Item 19, Loans Made This Period - determined by review of the Morale Fund Accounting Sheets (CG-4518).
- (c) Item 20, Loans To Be Accounted For - self explanatory (Item 18 plus 19.)
- (d) Item 21, Loan Repayment Received This Period - determined by review of the Morale Fund Accounting Sheet (CG-4518); be sure to review closed accounts which had payment during the reporting period.
- (e) Item 22, Loans Canceled As Bad Debts - must also be included in line 7.
- (f) Item 23, Total - (items 21 plus 22).
- (g) Item 24 Loans Receivable End Of Period - self explanatory (items 20 minus 23).

Enclosure: (6) to COMDTINST M1710.13

6. c. (4) **Reconciliation of Checking Account.**

- (a) Item 25 thru 29 are self explanatory and are the normal entries, for reconciling a checking account. The checking account should be reconciled on a monthly basis, however, only the last month reconciliation will appear on the report.

(5) **Certifications.**

The report must be signed and dated by the auditor, morale fund officer, commanding officer, and relieving morale fund officer, as appropriate. See chapter 8.

DEPARTMENT OF TRANSPORTATION U.S. COAST GUARD CG-2985 (REV 2-89)		MORALE FUND FINANCIAL STATEMENT		TYPE REPORT	
REPORTING UNIT		DISTRICT		PERIOD COVERED	
CLOSING DATE		CORRECTED		FINAL	
ITEM	NET WORTH	ITEM	ASSETS AND LIABILITIES	END OF PERIOD	
1	Net Worth Brought Forward (Item 9 previous report)	10	Checking Account Balance	1005.00	
2	CGES Funding	11	Cash Account	40.00	
3	Net Profit MWR Activities	12	Savings Account and Reserves		
4	Other Receipts	13	Loans Receivable	750.00	
5	Total Income For Period (Items 2 thru 4)	14	Resale Inventory	607.00	
6	Morale Expenditures	15	Total Assets (items 10 thru 14)	2402.00	
7	Losses and Transfers	16	* Accounts Payable/Other Liabilities	50.00	
8	Total Expenditures (Item 6 plus 7)	17	Net Worth End of Period (item 15 less 16)	2352.00	
9	Net Worth (Item 1 plus 5 less 8)	18	LOAN ACCOUNT SUMMARY	AMOUNT	
CERTIFICATIONS		19	Loans receivable brought forward (item 24 previous report)	700.00	
The accounts and records of the Morale Fund represented by this Financial Statement have been audited. The financial condition of the Morale Fund was found to be satisfactory and is accurately presented in this Financial Statement. The fiscal affairs of the Morale Fund were conducted in accordance with regulations and instructions. Exceptions if any, are noted in the attached report.		20	Loans made this period	250.00	
DATE	CERTIFIED: AUDITOR	21	Loans to be accounted for (item 18 plus 19)	950.00	
DATE	SUBMITTED: MORALE FUND CUSTODIAN	22	Loan repayments received this period	100.00	
DATE	APPROVED: COMMANDING OFFICER	23	Loans canceled as bad debts (include in item 7)	100.00	
As of this date, I have relieved as Morale Fund Custodian. This financial statement and the supporting records accurately represent the condition of the Morale Fund. Exceptions, if any, are noted in the attached report.		24	TOTAL OF ITEMS 21 AND 22	200.00	
DATE	RELIEVING CUSTODIAN	25	Loans receivable end of period (item 20 less 23)	750.00	
* Itemize on the reserve. If further space is required, use an additional sheet of paper.		26	RECONCILIATION OF CHECKING ACCOUNT		
		27	Bank balance by latest statement dated:	855.00	
		28	Deposits entered in checkbook, not on above statement	400.00	
		29	TOTAL OF ITEMS 25 AND 26	1255.00	
			Outstanding checks (drawn but not shown on bank statement)	250.00	
			Check book balance end of period (item 27 less 28)	1005.00	

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Enclosure: (7) to COMDTINST M1710.13

SAMPLE MORALE FUND REPORT MESSAGE

FM USCGC ANYONE
TO CCGDFIVE PORTSMOUTH VA//APS//
ACCT W2GARC
BT
UNCLAS //N01700//
SUBJ: MORALE REPORT FOR 2ND QTR FY 1994
A. COMDTINST M1710.13 (series)
1. 10,000.00
2. 400.00
3. 147.00
4. 300.00
5. 847.00
6. 8,195.00
7. 300.00
8. 8,498.00
9. 2,352.00
10. 1,005.00
11. 40.00
12. ----
13. 750.00
14. 607.00
15. 2,402.00
16. 50.00
17. 2,352.00
18. 700.00
19. 250.00
20. 950.00
21. 100.00
22. 100.00
23. 200.00
24. 750.00
25. 855.00
26. 400.00
27. 1,255.00
28. 250.00
29. 1,005.00
BT

ANNUAL SURVEY
MORALE FUND OPERATIONS
FY Ending _____

A. Unit Information.

1. District/MLC/HQ Unit: _____

(HQ UNITS: only Academy, RTC Yorktown, TRACEN Petaluma,
TRACEN Cape May, and ATC Mobile).

2. Morale Officer: _____

3. Telephone Number: _____

B. Financial Indicators.

1. Net profit MWR activities (CG-2985; Item 3): _____

2. Number of ongoing activities (CG-2985A)

(as of 4th quarter): _____

3. Value of resale inventory (CG-2985; Item 14) end of year: _____

4. Net worth (CG-2985; Item 9)(end of year): _____

5. Annual Morale funded salaries (CG-2985A; Item A-8): _____

C. Budget Execution.

1. Was a district wide MWR budget prepared to provide a fair and equitable distribution of morale funds.

YES ☐ NO ☐ . If No, explain.

2. a. What was the lowest per capita funding received by one of your subordinate units when totaling both direct funding from a local CGES activity and funds provided by your distribution? _____

b. What was the highest? _____

3. Do you maintain a fund at the district level for special projects within the district? YES ☐ NO ☐

If yes, please answer the following:

a. Level of fund \$ _____

b. Types of projects supported out of this fund during the FY: _____

C. 3. c. Is there an established process and board to distribute the project funds? YES ☐ NO ☐

4. Current policy allows units with CGES activities to maintain 20% of available profit for the unit morale fund. Did the district provide additional funding to any of those units? YES ☐ NO ☐ If Yes, please answer the following:

a. Was the additional funding (1) provided by a standard distribution formula applicable to all such units or (2) provided on an as needed basis dependent on such factors as the amount on the 20% profit, existing MWR facilities, etc. (1) ☐ (2) ☐

5. Facilities.

a. Were any new MWR facilities (\$15,000 or over) constructed or acquired during the last fiscal year? If yes, please give a brief description of each:

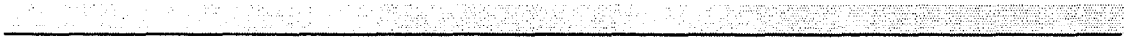
b. Were any existing MWR facilities closed during the last fiscal year? If yes, please give a description and reason for closure.

c. Are there any changes to the facilities listed in COMDTPUB P1710.14?

C. 6. General:

- a. Do you have any suggestions for updating or revising the MWR Manual?

- b. Did you encounter any significant MWR problems during the past FY? If so explain.


(commanding officer signature)

MORALE FUND AUDIT GUIDE

1. **Purpose.** The purpose of a morale fund audit is to determine if the financial status of the unit morale fund is accurately stated on the Morale Fund Financial Statement (CG-2985) and to determine if applicable regulations, policies, and procedures are being adhered to in the conduct of day-to-day operations. The full audit shall consist of review of the financial records and transactions as listed in paragraph 3 below and a review of the general inspection items contained in enclosure (2).
2. **General.** The auditor must become familiar with the provisions of the MWR Manual before a competent audit can be made. Particular attention should be given to chapters 4, 6, and 8. The auditor must not only verify the accuracy of the financial statements and supporting documents but must also evaluate the internal controls and appraise the overall management of the fund. The audited CG-2985 shall be forwarded to the cognizant authority via the chain of command. Whenever noncompliance with regulations is found to exist, a letter report shall be attached to the audited report. The auditor may also use this letter to provide constructive comments or suggestions concerning the operation of the morale fund.
3. **Review of Records and Transactions.**
 - a. Ensure beginning net worth is the same as net worth of the morale fund established by the last audit.
 - b. Compare all receipt records with deposit slips and check book record and total all receipts since last audit.
 - c. Compare all expenditure records with canceled checks and check book records. If a cash account is kept by the morale fund, receipts delivery tickets, invoices, or other evidence should be compared with the expenditure records. Total all expenditures since last audit.
 - d. Review amount of funds in savings account and reserves at time of last audit and review all deposit records, withdrawal records and statements. Total all savings and reserves.
 - e. Review the amount of total loans outstanding at the time of the last audit and all loans and repayments that have been made during the interim period. Total all loans receivable.
 - f. Review amount of other assets at the time of the last audit. Review all documents related to receipt and expenditures to arrive at a current total.
 - g. Review and identify accounts payable and other liabilities at the time of the last audit to ascertain which ones have been liquidated during the interim period. Total current outstanding accounts payable and other liabilities.
 - h. Verify accuracy of inventories on CG-5017's.
 - i. Review all items included in enclosure (3), MWR Inspection Check List.

U.S. Department
of Transportation

**United States
Coast Guard**

2100 Second St., S.W.
Washington, D.C. 20593

Official Business
Penalty for Private Use \$300

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United States
Coast Guard
DOT 514



MWR FACILITY SAFETY INSPECTION - CHECK OFF LIST

1. GENERAL.

a. Housekeeping:

YES NO

- (1) Are Corridors and aisles well lighted and orderly? ☐ ☐
- (2) Are passageways wide enough for safe traffic? ☐ ☐
- (3) No trip or slip hazards? ☐ ☐
- (4) Unobstructed by storage, equipment, projections, etc? ☐ ☐
- (5) Do all entrance doors open outward? ☐ ☐
- (6) Are all doors in good working order and left free of obstructions? ☐ ☐

b. Floors:

- (1) Are floors in all areas in good condition, clean and orderly? ☐ ☐
- (2) Spillage wiped up promptly? ☐ ☐
- (3) No loose boards, holes, or other hazards? ☐ ☐
- (4) Properly maintained? ☐ ☐

c. Stairs:

- (1) Are stairways in good conditions? ☐ ☐
- (2) Tread nosing in good repair? ☐ ☐
- (3) Landings in good repair? ☐ ☐
- (4) Are handrails provided and in good repair? ☐ ☐
- (5) Well lighted? ☐ ☐
- (6) Entry stairways free of all obstructions? ☐ ☐
- (7) Are stair treads reasonably slip resistant? ☐ ☐

d. Rest-rooms:

- (1) Clean and sanitary? ☐ ☐
- (2) Toilets, urinals, sinks spotlessly clean and free of odor? ☐ ☐
- (3) Plumbing in good condition? ☐ ☐
- (4) Adequate? ☐ ☐

Enclosure: (10) to COMDTINST M1710.13

MWR FACILITY SAFETY INSPECTION - CHECK OFF LIST (CON'T)

YES NO

1. d. (5) Does each lavatory provide hot and cold running water, or tepid water? ____ ____

(6) Is hand soap or other cleansing agent provided? ____ ____

(7) Are individual hand towels (cloth or paper), warm air blowers, or continuous roller towels provided? ____ ____

(8) Are there receptacles for disposal of used towels? ____ ____

e. Exits:

(1) Are exits clearly visible and routes clearly marked? ____ ____

(2) Are non-exit doorways which could be mistaken for exits marked to avoid confusion? ____ ____

(3) Are exit facilities adequately illuminated? ____ ____

(4) Are all exits and their approaches free of obstruction? ____ ____

(5) Are locks which would prevent free escape prohibited? ____ ____

2. OUTDOORS.

a. Bleachers:

(1) Checked for defects? ____ ____

(2) Spectators protected by means of a fence or screen to prevent getting struck by a flying object? ____ ____

(3) If field is enclosed are there sufficient well marked exits at each end? ____ ____

b. Picnic Areas:

(1) Tables and benches in good repair? ____ ____

c. Barbecue Grills:

(1) Adequate fire protection? ____ ____

d. Outdoor Pool:

(1) Is there a lifeguard on duty? ____ ____

(2) Is proper supervision provided? ____ ____

(3) Locker and shower rooms. Are they clean? ____ ____

(4) No slipping or tripping hazards? ____ ____

MWR FACILITY SAFETY INSPECTION - CHECK OFF LIST (CON'T)

	YES	NO
2. d. (5) Are lockers bolted to prevent tipping?	_____	_____
(6) Are there sufficient toilet facilities?	_____	_____
(7) In good repair?	_____	_____
(8) Clean?	_____	_____
(9) Well lighted?	_____	_____
(10) Is swimming pool fenced and gates locked when not in use?	_____	_____
3. INDOOR.		
a. <u>Pools:</u>		
(1) Lifeguard on duty at all times when in use?	_____	_____
(2) Well lighted?	_____	_____
(3) No obstruction or slipping hazards?	_____	_____
(4) Is there proper supervision?	_____	_____
(5) Decks - non-slip material?	_____	_____
b. <u>Gymnasium.</u>		
(1) Are bleachers well placed back of outside marking of court areas?	_____	_____
(2) Are they checked out for defects?	_____	_____
(3) Is there proper supervision?	_____	_____
(4) Do youth groups provide own supervision?	_____	_____
(5) Gear locker - clean - proper storage facilities?	_____	_____
c. <u>Locker and Shower Room.</u>		
(1) Are they clean?	_____	_____
(2) No slipping or tripping hazards?	_____	_____
(3) Are lockers bolted to prevent tipping?	_____	_____
(4) Sufficient toilet facilities?	_____	_____
(5) In good repair?	_____	_____
(6) Clean?	_____	_____

Enclosure: (10) to COMDTINST M1710.13

MWR FACILITY SAFETY INSPECTION - CHECK OFF LIST (CON'T)

YES NO

3. c. (7) Well lighted?

(8) No exposed fixtures?

d. Hobby Shops: (Auto, Ceramic, Carpentry)

(1) Are all machines adequately guarded?

(2) Are there controls on each machine to permit the operator to cut off power without leaving his/her position?

(3) Are provisions made to prevent machines from automatically starting upon restoration of power after a power failure?

(4) Are portable electric tools grounded?

(5) Are hazardous noise areas posted?

(6) Are individuals trained in the proper use of tools?

(7) Are tools stored properly?

(8) Are ventilation systems tested/evaluated semiannually by engineering?

(9) Are adequate storage facilities provided for flammable and combustible liquids (paint, thinner, gasoline)?

(10) Are there "NO SMOKING" signs conspicuously posted where hazards from flammable liquid vapors are present?

(11) Are approved metal waste cans provided for contaminated rags or waste?

(12) Is proper personal protective equipment provided and used (e.g., hearing protection, goggles, gloves, etc.)?

(13) Are individuals properly supervised?

e. Dances and Entertainment:

(1) Are floors in good condition?

(2) Ample seats?

(3) Are they in good condition?

(4) No splinters or protruding nails?

(5) Exists properly marked at each end?

(6) Is there proper supervision?

Commanding Officer's Guide to MWR

This Guide is intended as an aid to commanding officers and OinC in performing their oversight responsibilities in the area of Morale, Welfare, and Recreation. This Guide is not intended to be all inclusive, however, addresses those areas which are most important for the proper administration of the program.

1. **Budget Preparation and Execution.** (paragraph 6.C.) Under the current method of CGES profit distribution this is one of the most critical areas. Development of the budget must deal with actual and estimated receipts from several possible sources. Budget execution will require adjustments to allow for CGES profit fluctuations. This is especially critical at large units with recurring sunk costs such as salaries and facility maintenance and at consolidated morale funds with budget responsibility for several units.
2. **Funding.** (paragraph 4.B.) Ensure appropriated and non-appropriated funds are used for the proper expenditures. Any purchase which may be made with appropriated funds may also be made with non-appropriated funds. The reverse is not true. Certain items may be purchased only with non-appropriated funds (i.e., items purchased for resale).
3. **Personnel.** (chapter 7) Ensure that MWR employees are not paid directly by CGES activities. The establishment of any MWR position must be reviewed and approved by Commandant (G-PC).
4. **Restricted and Prohibited uses of Morale Funds.** (non-appropriated) (paragraph 6.G. and 6.H.) The referenced paragraphs contain items which are either restricted or prohibited for obligation of non-appropriated MWR funds. Restricted items, although not illegal, should only be purchased after review and approval by the commanding officer.
5. **Reports.** (Chapter 8)
 - a. Morale Fund Financial Statement (CG-2985) is submitted:
 - (1) Quarterly, within 10 days of close of the quarter (30 April, 31 July, 31 October, and 31 January), to district's/MLC's.
 - (2) Disestablishment of funds.
 - (3) Relief of Custodian.
 - b. Annual Survey of Morale Activities is submitted annually within 30 days of the close of the MWR FY (31 January). (DIST, MLC, and HQ unit only)
6. **Audit.** (paragraph 8.F.) An internal audit shall be conducted at least every 6 months.
7. **Eligible Participants.** (paragraph 1.D.) The reference clearly states who and under what conditions various categories of personnel may participate in MWR activities. It also provides discretionary responsibility to the commanding officer to provide for guests not otherwise eligible.

Enclosure: (11) to COMDTINST M1710.13

8. Commanding Officer's Organizational Responsibilities. (paragraph 2.D.) The reference lists the specific responsibilities of the commanding officer.
9. Fees and User Charges. (paragraph 6.F.) The reference explains the different types and provides guidance in levying charges. With increased demands on appropriated and non-appropriated funds, reasonable user fees are a needed source of revenue.
10. Annual Inspection. (enclosure (3)) An annual inspection of the morale fund and MWR facilities must be conducted. It should be accomplished in conjunction with the quarterly Morale Fund Financial Statement at the end of the MWR FY (31 January).

SAMPLE LETTER FOR SUCCESSOR IN INTEREST

1710
25 November 1991

First Anywhere Bank
Somewhere Branch
Attn: Kim A. Someone
1000 Main Street
Hometown, USA 00000-0000

Gentlemen,

The USCG (NAME OF UNIT) Unit Morale Fund is established to promote the well being of the (NAME OF UNIT) officers, crew, dependents and others as directed by the Commandant, United States Coast Guard.

The Unit Morale Fund is nonprofit in nature and, as an instrumentality of the United States Government, is exempt from certain taxing authorities. It is administered by the Commanding Officer, (NAME OF UNIT) and those designated by him/her.

The Coast Guard Trust Fund is successor in interest to the Unit Morale Fund account and no responsibility will attach to (Name of Bank) after transfer of funds to or under order of the Coast Guard Trust Fund (if unit is being disestablished).

R. R. ROCK
By direction

Copy: COMDT (G-PXM-3)

**SAMPLE OF LETTER ANNOUNCING COMMERCIAL
SPONSORSHIP OPPORTUNITIES**

DATE

Name (if available)
Title (if available)
Company
Address

Dear _____,

Sponsorship opportunities are available for the (Name of Event) conducted by the MWR programs (Name of unit).

Brief description of event to include:

- Date.
- Location.
- Target market(s) and expected number of participants/spectators.
- Brief description of the event. If established event give brief summary of past success.

Sponsorships are available for this event at varied price ranges offering a corresponding degree of benefits, (i.e., signs, banners, product sampling, title recognition, product sales rights, etc.). Sponsorship packages are tailored to provide maximum exposure and visibility to event sponsors. The MWR programs will work individually with each sponsor to ensure that the sponsors achieve their sponsorship objective.

If you are interested in being a part of this exceptional event, please contact (Name, Title) at (Phone Number) for a complete proposal package. Deadline for submitting sponsor bids is (date).

We look forward to working with you for our mutual benefit.

Sincerely,

MWR Director/Commanding Officer

SAMPLE OF SPONSORSHIP AGREEMENT

This agreement ("AGREEMENT") made and entered into by and between the (Name and address of Unit MWR Fund) ("FUND") and (Name and address of sponsor) ("SPONSOR") and (Name and address of Cosponsor if any) ("COSPONSOR").

The Fund seeks to promote positive, healthy, and active participation in leisure and recreational programs for sailors and their families;

The Fund plans to conduct (type of event) at (location of) ("EVENT"); and

Sponsor and Cosponsor ("COSPONSOR") desire to cosponsor such event, which sponsorship would include promotional product tie-ins for (name of product/s) ("PRODUCT").

In consideration of the premises and mutual promises set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1. Event. During the (period of event/s), Fund agrees to conduct the following:

- (a) (description of event)

- (b) (description of additional events if applicable)

Fund designates Sponsor and Cosponsor as the only corporate sponsors of the event and agree to work with Cosponsor promotional tie-ins. Fund agrees that Cosponsors may advertise their sponsorship of the event/s.

2. MWR Responsibilities. Each Fund will (Spell out MWR responsibilities e.g.)

- (a) Provide the (whatever) and all logistical support and requirements to conduct each event.

- (b) Provide adequate professional staff to plan, organize, promote, conduct and evaluate each event.

- (c) (If applicable) coordinate with Coast Guard Exchange and Commissary Managers regarding dates and times to ensure effective in-store promotional tie-ins for Products.

- (d) Provide an endorsement disclaimer on promotional materials distributed in connection with the event, and

- (e) Etc.

3. Cosponsors' Responsibilities. In exchange for promotional tie-ins with event, Cosponsors will: (Spell out sponsor's responsibilities, e.g.)

Enclosure: (14) to COMDTINST M1710.13

(a) Provide T-shirts for event participants at an estimated maximum total of (number of shirts). Company and MWR logos will be featured. Company will develop, produce and deliver the shirts to MWR. MWR will approve T-shirts to design. The cost for developing, producing and delivering the T-shirts will be borne 50/50 (or other agreed upon proportion) by Cosponsors.

(b) Provide (describe other advertisement i.e. signs, banners) for event site. Advertisement shall feature Products' logos. Cosponsors will develop, produce, and deliver the (list advertisements) to Fund. The cost for developing, producing, and delivering the banners will be borne 50/50 by Cosponsors.

(c) Provide Fund with camera-ready art for Products' logos for flyers, registration forms, etc. to be produce and distributed by MWR.

(d) Provide fee samples of Products to all event participants.

(e) Coordinate with local Fund and Coast Guard Exchange and Commissary Officers to provide in-store promotional tie-ins in the form of existing point-of-sale and display materials.

(f) Etc. _____.

4. Trademark License.

(a) Sponsor hereby grants Cosponsor and Fund a royalty-free, non-exclusive license to use and display the trademarks associated with products. Such use shall be limited solely to the duration of the sponsorship of the event and any advertising or promotional activities relating thereto. Cosponsors and Fund shall not use any of the sponsor's trademarks in a way which would cause any person reasonably to infer, or would otherwise convey the impression, that Cosponsor of Fund is in any way affiliated with or otherwise acting on behalf of sponsor or which may be detrimental to sponsor's interest. Sponsor shall provide Cosponsor and Fund may use the sponsor's trademarks, and sponsor and Fund shall promptly comply with such instructions. Cosponsor and Fund acknowledge that the provision of this paragraph do not convey and right, title or ownership interest in the trademarks.

(b) Except as expressly provided herein, neither Cosponsors nor Fund shall have the right to use in any way the corporate or trade name, trademark(s), service mark(s), logo(s), or other identification of the other parties without their prior written consent.

5. Term and Termination. The term of this Agreement shall commence as of (date), 19__ and shall continue until (date), 19__. Any party may immediately terminate this Agreement upon a material breach of any term or condition hereof.

6. Right of First Refusal. Upon termination of this Agreement, Cosponsors shall have the right of first refusal to renew this Sponsorship Agreement provided the Coast Guard conducts this event during this time frame in (year). As used herein, the right of first refusal shall mean that if Fund receives a "bonafide offer" (as hereinafter defined) regarding sponsorship from a third party, then Fund shall be obligated to communicate such offer to Cosponsors, and permit cosponsors at its option to offer to contract with Fund, either individually or as Cosponsors, on terms no less favorable to Fund than those contained in the bonafide offer of the third party. In no event shall Fund enter into a contract with a third party upon terms and conditions more favorable to such third party than those offered to Cosponsors, unless such terms have first been offered to Cosponsors. As used herein, the term "bonafide offer" shall mean a proposed agreement concerning rights and obligations similar to those herein, which agreement if executed by Fund and the third party, would be legally binding.

7. Competitive Advertising. Fund warrants and agrees that it has not, and during the term hereof will not, grant to anyone that the Cosponsors the right to sponsor or advertise during the event and products competitive with Products.

8. Indemnification. The Fund agrees to defend, indemnify and hold Cosponsors harmless from and against all claims, suits, liabilities, costs and expenses, including reasonable attorney's fees for injury to, including death of persons (whether they be third persons or employees of either parties hereto) or any loss or damage of property in any manner arising from the advertising and sponsorship rights conveyed therein or for any injury to, including death of persons arising from participation in the event, with the understanding that this obligation shall not apply to any loss caused solely by the negligence of Cosponsors.

9. Insurance. The Fund shall obtain and maintain in force, adequate insurance satisfactory to cover the indemnification in paragraph 8 above. The Fund shall include Cosponsors as additional insured under its Consolidated Self-Insurance Program. The Consolidated Self-Insurance Fund shall provide for thirty (30) days written notice to the Cosponsors in the event of cancellation, material change or nonrenewal.

10. Independent Contractor. Cosponsors and the Fund shall be and act as independent contractors, and under no circumstances shall this agreement be construed as one of agency, partnership or joint venture of employment between the Fund, sponsor and Cosponsor. None of the personnel under contract to, employed by or volunteering for the Fund shall be deemed in any way to have any contractual relationship with Cosponsors whatsoever. The Fund shall be solely responsible for the conduct of its employees, personnel and agents in connection with their performance of the Fund's obligation hereunder.

Enclosure: (14) to COMDTINST M1710.13

11. Force Majeure. No party shall be responsible for events beyond its reasonable control, such as acts of God, weather delays, government restrictions, or unforeseen commercial delays. If any of the event/control are postponed due to inclement weather or other conditions beyond the Coast Guard's control, they may be rescheduled for another time. Cosponsors shall then be entitled to, and the Fund agrees to give the Cosponsors, all of the advertising and sponsorship rights set forth herein at no additional charge to Cosponsors.

12. Notices. All notices required or permitted hereunder shall be deemed duly given if sent by certified mail, postage prepaid, addressed to the parties as follows:

If to Sponsor: Name and address of Sponsor

If to Cosponsor: Name and address

If to Fund: Name and address

13. Assignment. This agreement is not assignable in whole or in part by any party hereto in the absence of the prior written consent of the other party.

14. Entire Agreement. This Agreement contains the entire understanding between the parties hereto relating to the subject matter contained herein and supersedes any and all prior agreements, arrangements, communications or representations, whether oral or written. This Agreement may not be amended, altered, modified or changed except by a written signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed.

Sponsor

By: _____

Cosponsor

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Fund

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

A STANDARD DISCLAIMER

We must use a disclaimer to avoid an inadvertent insinuation that the Coast Guard officially endorse any company, sponsor, or their products or service.

A Standard Disclaimer that will not detract from the sponsorship follows:

"The Reserve Training Center Yorktown, Virginia, sincerely thanks and appreciates the sponsors of this event. However, neither the Coast Guard or any other part of the Federal Government officially endorses any company, sponsor, or their products or services."

The above disclaimer must be posted at all sponsored events. Enough signs shall be used to reasonably permit everyone to see the disclaimer.

The size of the print shall be large enough to permit reading from a distance of 25 feet.

This disclaimer must also be included in flyers, posters, and advertisements.

The disclaimer is not required in the Plan of the Day.

The disclaimer must also be read to the audience at least once during any performance where the commercial sponsor is verbally identified.

MWR USER SURVEY

Unit Name _____ Date _____

1. This survey provides a way to assess MWR needs and interests for our personnel. Your input will play a very important part in planning future MWR activities. Please answer each question and return the completed survey to your MWR Officer no later than _____.

2. Listed below are CG MWR activities that are available to you locally. Please enter the appropriate mark to indicate how frequently you participate in the activity.

- 0 = Never participated
- 1 = Annually
- 2 = Monthly
- 3 = Weekly
- 4 = Daily

MWR ACTIVITIES:

Aerobics Class	<input type="checkbox"/>
Auto Hobby Shop	<input type="checkbox"/>
Basketball Courts	<input type="checkbox"/>
Bowling Alley	<input type="checkbox"/>
Camping Gear Locker	<input type="checkbox"/>
Craft Shop (Woodworking, Ceramics)	<input type="checkbox"/>
Fitness Center	<input type="checkbox"/>
Golf Course	<input type="checkbox"/>

Enclosure (16) to COMDTINST M1710.13

Gymnasium ☐

Holiday Functions
(Dinners, Parties) ☐

Jogging Trail ☐

Membership to Athletic Clubs
(e.g. YMCA, YWCA) ☐

Navy Motion Picture Service
(VCR movie cassette tapes) ☐

Parks and Picnic Areas ☐

Recreation Gear Locker ☐

Recreation Room
(Pool Table, Ping Pong Table, etc...) ☐

Recreational Quarters ☐

Recreational Trailers/Boats ☐

Sports Program
(Baseball, Football, Basketball, etc...) ☐

Swimming Pool ☐

Ticket Reimbursement Program ☐

Unit Field Trips
(Skiing, Fishing, Amusement Parks, Etc...) ☐

Weight Lifting Equipment ☐

Youth Activities ☐

3. Are there any activities listed above that you did not know
were available? Yes ☐ or ☐ No

4. If so, what were they?

5. If you had known the activity was available, would you be interested in participating? Yes ☐ or ☐ No

6. Please list any activity currently not available, that you would like to see added.

7. Please list any comments or recommendations you may have regarding the MWR program at your unit.

8. Please check: ACTIVE DUTY AGE:

DEPENDENT

RETIRED

9. Optional:

Name:

Rank/Grade:

Phone:

